

**The Historical Gendering of Canadian (Un)Employment Insurance:
A Feminist-Institutional Critique of the Changing Nature of Work
and Family/Maternity Policy**

by

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**A Thesis/Practicum submitted to the Faculty of Graduate Studies of The University
of Manitoba in partial fulfillment of the requirements of the degree
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ABSTRACT

This thesis examines the Canadian (Un)Employment Insurance program and it specifically evaluates the historical treatment of women within the scheme. It reviews the legislative history of UI/EI from a gender perspective with a focus on developments in the accessibility to the program and entitlements to women, such as maternity benefits provisions. It also examines developments in the labour market and the changing nature of work which has influenced program policy decisions.

Empirical data from the Survey of Labour and Income Dynamics, Historical Labour Force and (Un)Employment Insurance statistics, as well as the Absence from Work Survey (AWS), are used to evaluate and analyze gendered work patterns and maternity compensations following the latest phase of restrictive changes to the program in 1996.

The results provide support for the central argument in this thesis, which is that the revised policy framework in the form of 'Employment Insurance' has undermined the entitlements and accessibility of benefits for women by not considering their realities in the labour market. Specifically, many women are excluded on the basis of not fitting into the male ideal of a full-time and full-year work pattern.

The conclusion is that the government has failed to integrate gender issues in its provision of protective labour market policies, which has resulted in unequal opportunities within the income security scheme. However, gender outcomes often reflect political biases and/or the ideology and acceptance of female dependence.

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CHAPTER 1

1.1 Introduction

This thesis examines the evolution of the Canadian Unemployment/Employment Insurance program which was established in 1940. It will review the historical development of the maternity benefits program within the scheme. It draws particular attention to gender issues in accessibility to the program. It also analyzes the latest phase of restrictive changes in the 1990s and their relationship to the changing nature of the labour market. This thesis includes a discussion of the emerging policy implications as they relate to women's work in the labour force and in the home.

The historical section reveals that in the post-Depression period of the 1940s the unemployment insurance program evolved very quickly in order to accommodate the predominantly male workforce. Although coverage was still largely inadequate by the end of the first decade, the structure and composition of the 1940s and 1950s labour force continued to influence the government's pro-active responses to meeting industry needs. Analysis of the early UI scheme reveals prioritization of the extension of coverage to male-dominated, seasonal workers in any expansive program initiatives. This is an important point which will be pursued in the chapters that follow. Seasonal work in the primary industries during the earlier period was a significant demand-side feature of the economy. In many ways its importance to economic growth during that period is very similar to the magnitude of non-standard work which has become prevalent in the market-driven contemporary economy. The thesis shows how the new employment insurance program, which was implemented in 1996, has operationalized these labour market features in very different ways. There is evidence that the preponderance of women and other marginalized workers in non-standard job

arrangements may explain the ideological principles that have been dispersed throughout many regressive EI policy measures. One objective of this work is to establish the historical context to the program's recent re-engineering of the 'employment insurance' scheme.

Chapters 2 and 3 review the legislative history of the UI program on the basis of the foregoing discussion, including maternity provisions. Chapter 3 summarizes and builds on various aspects of the analysis in Ann Porters' Ph.D. dissertation on Gender, Class and the Welfare State, as well as Ruth Roach Pierson's discussion on gender and the UI debates in Canada during the period 1934 to 1940. These chapters establish why the early program development mostly benefited the male workforce. Women as 'paid workers' did not fit into the early UI scheme's objectives of integrating both the issues of social security for the benefit of the male-headed family unit and its broader macroeconomic stabilization goals.

Chapter 3 illustrates how the transitions in women's employment patterns developed in areas of the economy that experienced growth. Following the implementation of the UI program, a late-1950s shortage of cheap labour developed in the growth area of non-standard work, mandating the recruitment of married women into the services industries, including the expanding social services. Later on, the 1970s institutional biases were reflected in the favouring of maternity provisions which evolved as part of an international trend toward social and community development even though it had been advocated by social policy writers as early as the 1940s. This thesis also evaluates the role of unemployment insurance policy in the perpetuation of gender occupational segregation.

Chapter 4 examines women's involuntary prevalence in non-standard work and the gendered division of labour due to women's reproductive work. It establishes that,

in the contemporary era, many women are no longer dependents or secondary wage-earners that supplement the family income in order to have a higher standard of living. A solid core of female workers have developed strong attachments to the labour market.

Chapter 5 provides the empirical evidence for lowered accessibility to employment insurance through reduced maternity compensations, and for a Beneficiaries to Unemployed (B/U) ratio that declines disproportionately for women. The thesis demonstrates that regressive policy has been directed at a self-perpetuating group of second-tier female workers, many of whom are married women. Moreover, through historical and economic analysis, this work provides the empirical evidence that a post-1980s 'masculine crisis' of male youth unemployment may have prompted the reinstatement of retrogressive income security measures. It also attempts to develop an explanation of how policymakers have been recently attempting to rebuild the 'male youth social infrastructure' after two severe recessions that have created a new crisis in the Canadian economy.

Chapter 6 concludes on the basis of the empirical evidence that, at any given moment, gender-based labour market status and the accepted cultural ideology of women's equality in social security is the outcome of a market economy whose goals are supported by the state. This combination generates a reserve army of transitory female labour. In this view, early in the scheme institutional biases maximized benefits on behalf of males and, more directly, prioritized the needs of male-dominated industries and the replacement of a male wage. The biases also directly reflected the socio-cultural ideology and acceptance of female dependence. Conversely, a late 1990s oversupply of married women and youth in the labour market has induced the

employment insurance scheme into admirably rewarding the dominant male work patterns of the day once again.

On this point, what follows is the theoretical approach that institutional changes in the economy of the recent decades have provoked the policy instruments that support regressive notions of women's domesticity and dependence, but only for isolated pockets of females. In its support of capital formation, the government may have failed to provide protective labour market policy that provides opportunities for all workers to gain equal advantages in the income security scheme.

Chapter 2: The Origins and Early Development of the Unemployment Insurance Program

2.1 Theory of UI: the objectives of unemployment insurance

During the early efforts to establish the unemployment insurance program, the government's objective was to alleviate poverty and to forestall the financial hardship that resulted from wage loss during involuntary unemployment. The program's desired effect would also be to mitigate of the harshness of the business cycle through the provision of a guaranteed income protection plan. In later revisions of the program's objectives there has been much disagreement as to its basic role or the specificity of its goals in the Canadian economy. Nonetheless, it has evolved into a multi-purpose program. The program was initially designed and governed by actuarial principles. However, first and foremost, the central aim of unemployment insurance has been to eliminate the social stigma of needs-tested relief by emphasizing an 'earned rights' basis of wage-loss compensation. It has served as a poverty prevention measure by tackling the destitution created by unemployment. Another focal objective has been its alleviative role during periods of frictional or structural unemployment for the benefit of employers, by ensuring the retention of their work force during periods of reduced operations. It has prevented underemployment and the breakdown of a trained or skilled work force through its reemployment initiatives and also by allowing for a more effective job search process. Through the maintenance of consumer purchasing power, it has stabilized the economy during recessions thus promoting economic efficiency. It has also improved the resource allocation in the economy by redistributing the social costs of unemployment. As the scheme evolved, a primary function of UI was also to ensure that benefits were being provided in an equitable fashion and not only to 'first-track' claimants who are defined as permanent full-time workers. The idea

was that a more redistributive system would prevent the growth of inequalities in disposable income due to unemployment, and between regions as well.

2.2 Unemployment insurance and the pursuit of social objectives

The 1940 UI scheme has been described as a “landmark piece of social legislation” [Struthers (1983) 202]. Within a short period of time it became increasingly apparent that the program was only good to the degree of its beneficial effect on as many workers as possible. Therefore, the scope of the Act was widened very quickly.

UI program development progressed into a contractual agreement of social insurance between the state, firms, and workers as an implicit labour-capital accord. The scheme changed mostly because of ad hoc policy responses to regional and industry issues or accommodating specific demographic groups. Its substantive features changed almost annually during the first few decades after its inception. This was partially in response to political pressures to extend the principles of universality to this program.

Norrie and Owram (1996) pointed out that these new post-1930s forms of social activism were less about promoting economic growth than taking advantage of it because of the emerged experiences from the Great Depression [423]. No other socio-economic problem took precedence over the unemployment issue.

As Struthers (1983) has noted, “...Canada entered the Great Depression totally unprepared for a crisis that would soon sever almost one out of every three Canadian workers from their jobs” [208]. However, the plight of the Great Depression was also perceived as having affected men to a larger extent and, as such, the UI scheme was built on gendered philosophical underpinnings [Roach-Pierson (1990) 77-78, 103].

The conditions of labour supply played a significant role in UI programming after the 1940s, particularly in determining the expansionary to contractionary cycles of the program. The supply of labour grew because of the post-war baby boom, periodic episodes of liberal immigration policy, and increasing participation rates of women and adolescents. This meant that those ages 25-64 were a relatively important component of the labour force after 1971 [Norrie and Owsram (1996) 424], which would subsequently influence family policy within the UI income security scheme.

Since the UI scheme was a public program, it was also subjected to the arbitrary whims of the state parliament who altered premiums rates and benefits regulations. Various governments amended the Act to serve whatever objectives suited the prevailing economic or political conditions of the era. This was evident with the Gill Commission and the Cousineau reports of the 1960s. The government embraced Cousineau's developmental stance to UI reform which was consistent with the philosophical tide of the day and was highly influenced by international trends. Its views were subsequently adopted in the White Paper of 1970. Recently, against the advice of policymakers the government has adopted the diametrically opposing philosophy to UI reform. It is exactly these arbitrary features that have benefited and, yet also been detrimental to the status of women. In the 1970s around election time, the UI program changed with philosophical shifts of politicians [Canada: Commons Debates (April 20, 1971) 5109].

Moreover, the question of federal and provincial responsibility for the provision of aid to the unemployed has a long tradition of stubborn hostilities, usually in the face of economic crisis. As Struthers (1983) pointed out, throughout the 1930s, "...the one consistent theme underpinning federal unemployment policy was Ottawa's insistence that the jobless were primarily a municipal and provincial responsibility" [208]. Later

chapters show that this scenario has been replayed in the 1980s and 1990s. It would become the impetus to the philosophical stance of 'employment insurance'.

2.3.1 The legislative history of unemployment insurance

The stated purpose of the 1940 Unemployment Insurance Act was "to promote the economic and social security of Canadians by supporting workers from the time they left one job until they obtained another" [HRDC (1994) 5]. Benefits were paid to those who could show that they were willing and available to work but were temporarily unemployed for reasons of an involuntary nature.

There were a few considerations that shaped the 1940 UI Act, in particular which workers would be included in the scheme and the level of income replacement. First, as a result of the preoccupation with actuarial soundness of the UI scheme, less than half the labour force, approximately 42 per cent, were covered despite the intent to cover 75 per cent of the workforce [Struthers (1983) 200]. Excluded were those who were thought to be at high risk for unemployment and, conversely, workers providing government services and predicted to have stable employment. Many of the primary industries were excluded, as were teaching, professional services, health care, seasonal and part-time work, and workers earning over \$2,000 per year [Dingledine (1981) 9-10].

Second, the benefit levels were calculated on the basis of a worker's average contribution over a prior period. However, the scheme basically provided benefits that were set just below the lowest earnings brackets and at a level that was approximately one-half of the highest earnings brackets [HRDC (1999)]. The earlier program also embodied the principles of social insurance, as higher benefit levels were provided to claimants with dependents [HRDC (1994) 5]. The benefit levels which averaged 50

per cent of wages were never considered adequate in terms of a 'living wage' standard [Marsh (1943) as cited in Struthers (1983) 201]. The scheme enacted provisions for benefits that were paid in recognition of whether the claimant had dependents and needed the larger replacement of a lost family wage. Presumably the head of household, usually male, would require higher benefits to meet nondeferrable expenses associated with the higher living costs of workers with families. Otherwise, the scheme bore no relationship to family need or a minimum standard of living.

Eligibility for benefits was conditional on a worker being unemployed and available for work. A 'ratio rule' formula was used to determine the duration of benefit payments which meant that a claimant with five years of continuous insurable employment could access one year of benefits. Eligibility requirements depended on the worker having been in insurable employment for at least 180 days (i.e., thirty 6-day weeks) during the two years immediately preceding the claim. This was to ensure the worker had a primary attachment to the labour force and was a fairly steady worker. For those who were eligible the waiting period¹ was nine days. Substantial penalties for repeat claimants in the way of sharply limited benefits for seasonal workers addressed concerns about workers drawing large benefits which could disturb the actuarial basis of the plan [Dingledine (1981) 14]. However, these regulations were short-lived.

As a result of these stringent limitations, the first problem the Commission faced consisted of inadequate seasonal benefits. As Struthers (1983) noted,

... those who were eligible for the most benefits were those who needed them the least - the regularly employed. Seasonal workers, in contrast, who suffered from severe unemployment on a regular basis, were deliberately excluded ... on the grounds that their occupations fell beyond the bounds of acceptable 'actuarial risk' [212].

¹ A waiting period is defined as the number of uncompensated days or weeks which are imposed at the start of the benefit period.

However, amendments to seasonal coverage were subsequently enacted in 1946 but they were limited to extending benefits for lay-offs during the on-season [HRDC (1994) 5]. Due to pressures to provide benefits to the large number of men in the primary industries, the extension of coverage to seasonal workers was prioritized in any expansive program measures during the first decade. Nevertheless, a cautious Commission, concerned with protecting the actuarial basis of the program, framed an enormous set of arbitrary regulations to ensure that only on-season layoff circumstances would qualify workers as beneficiaries of the plan².

Moreover, much attention was being directed at earnings ceilings for coverage, partially because of inflationary factors; as well, piece rates and overtime caused many male workers to fluctuate between insurable and non-insurable weeks. By 1945, 68.8 per cent of workers³ were in the top earnings class due to classifications which had not kept up with wage growth. The goal was also to provide coverage for more managerial and professional salaried employees as well as men who were associated with the war effort.

Initially, the government financed the UI program's administrative costs from public tax revenues and paid an amount equaling 20 per cent of the aggregate employer-employee evenly-split premium contributions. In 1946 the Commission also took on the function of a national employment service, partially due to growing labour shortages in seasonal industries. Its role was to provide a matching service of workers with potential employers [Dingledine (1981) 8-15,18-21].

However, as Struthers (1983) has noted,

...the federal government, because of its wartime control over the nation's manpower, was dragged into creating an employment service....

² These regulations were deemed unnecessary in the 1970s because of relaxed entrance requirements that had emerged over the decades.

³ By 1948, 75 per cent of insured persons were in the highest contribution class.

War made Ottawa directly responsible for the nation's labour force in a way that trade cycles could not, since mobilization and demobilization linked the federal government directly to the fate of the post-war labourforce. If depression and unemployment followed the Second World War, as many thought they would, Ottawa would be held responsible. No one expected that veterans or unemployed war workers would queue up meekly in front of local relief offices [213].

This would logically explain the widespread and expansive program initiatives directed at the male workforce during its first decade.

The 1947/48 fiscal year reported a fund surplus of \$447 million, an obvious indicator of a healthy economy with few hardships of unemployment as the average rate was between 2 to 3 per cent during the 1947 to 1949 period. However, as Struthers (1983) suggested, UI coverage was clearly inadequate for those workers in need [212]. In spite of that, in 1948 Commission officials were reported as having commented that the UI program was "a first line of defence against the hardships of unemployment" [Dingledine (1981) 22].

The first test of this statement would occur during the winter months of 1949-1950 when "international trade uncertainties, currency devaluation, industrial disputes, supply curtailments and bad weather conditions" resulted in a sharp 50 per cent increase in the unemployed from the previous year. Not surprisingly, one in three unemployed workers could not access benefits as only a mere 50 per cent of labour force was covered. However, the UI fund had grown to a \$500 million surplus position. Moreover, there were mounting political pressures on the St.Laurent administration to liberalize the program and increase the benefits as they were also substantially below wage levels [Dingledine (1981) 22-25; Struthers (1987) 10].

Therefore, it would only be a short period of time before the actuarial basis of the insurance scheme with its emphasis on individual equity for 'a few', was overshadowed by the objective of making post-war socio-economic adjustments. At the

start of the World War II, even the government was aware that unemployment insurance could prove to be inadequate during economic crisis. Officials noted “at any one time [UI was likely to] provide for no more than one-quarter of the unemployed” [cited in Struthers (1987) 5]. Despite reservations, the government was forced to recognize the link between the employment relationship and inextricable hardships to families and the community, making it very difficult to preserve the insurance character of the program. As such, it became another extension of the social safety net with its ‘redistributive’ commitments within regions and industries.

2.3.2 UI in the 1950s: the challenges of recession

During the 1950s the program faced the first post-war economic recession and the consequent disqualification of workers and rapid exhaustion of benefits as longer periods of unemployment resulted. Early in the decade it became necessary to accommodate a minority of workers who had exhausted their entitlements by introducing supplementary benefits at a rate of 80 per cent of regular benefits (later increased to regular benefits levels). Supplementary benefits were also paid to those having unemployment difficulties during the winter months [Muszynski (1997) 6]. As Dingleline (1981) suggested, recession brought with it the first signs of ineffectual seasonal regulations that had been established. This resulted in a subsequent departure from the ratio rule which based benefits on prior labour force attachments. It reflected a deviation from the insurance nature of the original Act [25].

The emphasis directed at seasonal benefits was also fueled by industry pressures and by foreign capital that had infiltrated the Canadian economy. In the 1950s, through the liberal policies of the Canadian government, foreign capital inflows, predominantly American controlled, burgeoned. By 1960, 60 per cent of Canadian

manufacturing and mining, as well as 75 per cent of oil and gas were foreign-controlled. Massive development of the nation's natural resources was welcomed and foreign investors were deemed quite necessary in order to finance the large amount of required investment that would occur in the Canadian economy. Undoubtedly, foreign capital interests would favour extended UI benefits, at the expense of the Canadian government, because of the seasonal and regional nature of the industries that they financed. In the 1960s and 1970s, the question of the nation's sovereignty would emerge in the 1968 Watkins Report and the 1972 Gray Report, including the stepped-up monitoring of foreign investments [Mitchinson et al. (1996) 321-2; Norrie and Owram (1996) 424]. As will be shown later, the subsequent decline of these industries also shifted the demands on the unemployment insurance system.

Following the example of other countries [Dingledine (1981) 27] the system also moved away from its strict insurance principles with a 1953 amendment that introduced sickness benefits [Muszinski (1997) 7]. Furthermore, the Act continued to provide extended supplementary benefit periods and also allowed benefits to those who had served in the Korean War [Dingledine (1981) 27-28].

One of the issues was that the fund had accumulated a significant balance and there were provincial, municipal, and federal tensions about coordinating payment for the small proportion for workers with extended periods of unemployment. Moreover, during the period 1949-53, only 3.5 per cent of recipients were paid benefits for 30 or more weeks and 90.1 per cent of claimants drew benefits for fewer than 20 weeks [Dingledine (1981) 32], although this may have been attributed to rules which applied to a low six-week 'minimum benefit' period. These figures would have included a disproportionate number immigrant and youth claimants who had not established their contributions records in order to qualify for anything more than the absolute minimum

benefits duration of six weeks. Nevertheless, the potential of long-term unemployment had not become apparent at that time and it seemed safe for the fund to provide supplemental benefits as recessions were usually short-lived.

Expansive coverage was reflected in the scheme's Beneficiaries to Unemployment ratio (B/U), as shown in Appendix 1. The advantages of the scheme's broadened economic strategy during the bouts of cyclical unemployment was reflected in an ever-increasing B/U ratio during the 1946-1955 period. The B/U ratio may have been high for a few reasons. First, the premium-contributing workforce had legitimate access to benefits when unemployed. Although, in the late 1940s the duration of benefits may have been inadequate during the downturn as shown by the sharp drop in the B/U in 1950. As more workers were becoming unemployed claimants, others were simultaneously exhausting their benefits in larger numbers. This was reflected in a declining ratio of beneficiaries to the number of unemployed.

Second, despite these program gaps, the UI scheme had evolved to match its design with the unique structure and nature of work patterns in the Canadian economy. This was addressed in the foregoing discussion of the intense preoccupation with seasonal work of the primary industries. Moreover, many of the excluded occupations or industries still experienced relatively lower aggregate unemployment rates.

Third, less than half the female labour force was covered by the program, at a time that women represented approximately one-fifth of the labour force. Therefore, their exclusion would not have been reflected in the B/U ratio to any large degree and neither were their unemployment rates very significant (which would affect the denominator). From this analysis we may conclude that the scheme, while still in its developmental stages, was evolving to serve its clientele adequately (in terms of those who had access to coverage).

In 1955 the program underwent significant and equitable expansion through the new Unemployment Insurance Act, 1955, which replaced the original Act of 1940. The premium rates were adjusted to the benefit of lower income earners, which, while still favouring higher paid workers, constituted somewhat of an improvement. The Commission relaxed the rules which previously required six working days per week over a period of 30 weeks⁴ in order to qualify for benefits. This created advantages for female part-time workers, as it allowed credit for even just a few days of employment per week. Another beneficial change allowed claimants to earn up to 50 per cent of weekly benefits without penalty while on claim [Dingledine (1981) 37-39]. This was in recognition of the lower income replacement rate. The supplementary benefits were also replaced by 'extended off-season benefits' that were offered to seasonal workers for a maximum of 16 weeks. As well, by 1956 seasonal benefits became available to self-employed fishers (Jan 1 to April 15) [Muszinski (1997) 7].

What hastened the changes was a severe recession in 1953-1954, in which over half a million Canadians were registered as unemployed, an 84 per cent increase over the previous year. By January 1955 the unemployment rate had risen to 7 per cent. The post-war economic boom had been fueled by the financing of the Korean War and colossal defence spending in North America, as well as expanded foreign trade, but this came to an end in late 1953. One of the problems was that the fund had a huge surplus, yet the Unemployment Insurance regulations only covered 62 per cent⁵ of the workforce. There were federal, provincial and municipal tensions because all levels of government (and other programs) wanted to avoid responsibility for the

⁴ The minimum qualification period requirement was previously 30 weeks during the previous two-year period, of which at least 8 weeks had to be in the year immediately preceding the claim [Dingledine (1981) 31].

⁵ In 1953, the UI Commission claimed that 79 percent of 'wage earners and salaried employees' were covered [Dingledine (1981) 27].

workers who could not collect UI benefits, a replay of the dilemma of the 1930s. Therefore, it became necessary to liberalize the UI Act in order to accommodate the need [Struthers (1987) 15-20]. For example, the minimum benefit duration period of six weeks had to be extended to fifteen weeks in order to carry many of the new immigrant and youth workers who would not have built up the necessary insurable employment weeks. With the economic recession of 1957 a similar type of minimum duration had to be extended to seasonal workers [Dingledine (1981) 32-8]. In 1956 the regulations relating to repeat claimants were relaxed; the entrance requirement was reduced to 24 weeks from 30 weeks [Lin (1997) 65].

The Department of Finance was concerned about jeopardizing the actuarial base of the scheme but political pressures directed at the UI Commission forced it to respond with a new system of extended benefits, eligibility rules and new contribution rates. This was to “meet more effectively the kind of unemployment problems that now appear likely over the next few years” [Struthers (1987) 18]. In somewhat of a piecemeal fashion and in the absence of any other suitable alternatives, the scheme was forced to deal with much larger problems of economic instability. Indeed, it attempted to approach the longer-term unemployment problem of a seasonal and regional nature and resultant aggregate demand issues structurally inherent in the economy. However, these issues were only partially tackled through enactment of the 1956 Unemployment Assistance Act, a federal-provincial cost-shared welfare assistance program for those who had exhausted their benefits [Muszynski (1997) 7]. In 1958 the Minister of Labour, M. Starr, pointed out that the extension of seasonal benefits would “put additional purchasing power in the hands of those who most needed it” [Dingledine (1981) 39].

In 1956 the fund held a balance of \$874.5 million, but by 1959 the forces of recession and the increasing number of beneficiaries had depleted it to \$500 million (it would sink to \$1 million by 1964), even though in 1959 premiums and government contributions had increased by thirty per cent [Dingledine (1981) 39-45].

2.3.3 The 1960s: a decade of studies and proposals

The 1960s were a decade when the UI scheme came under close scrutiny and serious analysis. The Gill Commission, appointed in 1961, examined the issues of seasonal benefits, program abuses, and the UI scheme's relationship to other income security programs. At this stage, mounting problems of program gaps and ineffective seasonal benefits warranted serious debate on the link between UI and social assistance [HRDC (1994) 6], as did the objectives of adequately equalizing opportunity, reducing regional disparities, and redistributing income.

Nevertheless, there were few changes during this period, other than expanded eligibility rules and cost-of-living adjustments to benefit levels. By 1969, 68 per cent of the labour force was covered [Muszynski (1997) 8, CCSD (1996) 33]. As recommended by the Gill Commission (1962), the employment services as well as a newly created Department of Manpower and Immigration became the responsibility of the office of the Minister of Labour (1966). The new department would concentrate on developing labour market policies with respect to training, labour mobility, and job creation [Lin (Summer,1998) 43]. Canada, following similar trends in the beliefs systems of other countries, concluded that the corrective measures for unemployment were related to the establishment of training allowances and stronger labour market

policy. This would be funded through the UI program⁶. What had emerged from the 1960s was confirmation (even by the Gill Commission which focused heavily on abuses and incentives) that federal control of a UI scheme had become a crucial element in creating equity within Canadian social and economic policy, much of which went beyond strict insurance principles [Muszynski (1997) 8].

Added pressure from women's groups resulted in a Royal Commission on the Status of Women which undertook intensive study of the government's record in relation to equality for women. The report was submitted with 122 recommendations that came within the federal government's jurisdiction [NACSW (1974) iv]; it was to play an important role in the 1971 changes to the UI Act.

2.3.4 The Unemployment Insurance Act of 1971

The social security questions that arose in the 1950s and 1960s became the foundation of two reports that were tabled in late 1969 and 1970: the Income Security and Social Services (1969) working paper and the federal government's White Paper on Unemployment Insurance (1970). Strict insurance principles were de-emphasized in favour of redistributive measures, the reduction of regional disparities, and the blending of UI with employment policy [HRDC (1994) 6]. The result was a liberalized revision of the Act, which also extended significant equality of opportunity to women in recognition of the tremendous growth in their labour force participation. The philosophical shift that defined what was deemed an essential income replacement service to unemployed Canadians was reflected in the discourse of the 1970 White Paper document:

⁶ This was part of the larger trend emphasized by economists and policy makers, stressing the role of 'human capital' in employment, productivity growth, and in fighting the 'war on poverty'.

Canada, however, is not a nation bent exclusively on technological progress and increased affluence. This country believes at least as much in a more equitable distribution of our national wealth and the fulfillment of the expectations and the potential of all our people [3]... Canada has built up a body of social legislation aimed at meeting a whole spectrum of human needs. One of them is the Unemployment Insurance Act which provides financial assistance to lower income workers during periods of temporary unemployment [3].

During the 30's, when hundreds of thousands were out of work, it became clear that this individualistic philosophy, which had grown out of the pioneering days, was no longer sufficient for an industrial era. A nationwide economic crisis could only be combatted by collective measures [4].

Canadians are realizing that they can no longer depend on seniority and good work performance alone to ensure that they remain indefinitely in the labour market [5].

The strategy of the 1970s UI changes was directed at dealing with universal coverage and the 'adequacy' of benefits, the extension of maternity, sickness and retirement benefits, taxability of benefits and deductibility of premiums. Moreover, the state would assume financial responsibility for above-average unemployment levels. By 1971, 96 per cent of the paid labour force was in insurable employment [Dingledine (1981) 60]. The benefits levels were set at 75 per cent for those with dependents and 66.67 per cent for other workers. The new program would concentrate on creating regional and distributional equities [CCSC (1996) 33]. Moreover, in recognition of much higher benefit rates, the allowable earnings while "on claim" were reduced from the 1955 rate of 50 per cent to 25 per cent of the benefit rate [Dingledine (1981) 66].

At this point, the only exclusions of workers under 70 years of age were the self-employed (with the exception of fishers) and those workers who did not meet the weekly earnings requirement which was set quite low at 20 per cent of the maximum weekly insurable earnings. The entry requirement was lowered from 30 weeks in the previous two years to 8 weeks in the past year. The maximum benefit period was

unchanged, from its 1940 counterpart, at 51 weeks [Lin (April,1998) 68]. An indexed benefits system counteracted high inflation, the waiting period was increased from nine days to two weeks, and a monitoring system for investigating claims was implemented. Moreover, towards the end of the decade, emphasis was directed at using unemployment funds for training, job sharing, and job creation projects. This was in recognition of the growing structural nature of unemployment. This objective was accomplished through the integration of the UI Commission and the Department of Manpower and Immigration. However, the legacy of the 1970s was the creation of an administratively even more complex UI scheme [Dingledine (1981) 95,109-110].

The financing role for government would come into effect whenever the unemployment rate exceeded 4 per cent. Otherwise the program was private-sector funded, including special benefits and costs of administering the program. The program's aim was to shift most of the costs to employers and workers, but the government's focal point was regional economic stabilization. Therefore, it funded the 'regional extended benefits' in high unemployment areas, benefits for self-employed fishers, as well as costs associated with an unemployment rate over 4 per cent in any particular province [Muszynski (1997) 9; White Paper (1970) 7]. Later, in 1972, employers assumed a larger share of premium contributions, at the rate of 1.4 times employee contributions [Lin (April 1998) 72].

Many corporate groups were not pleased with the pro-labour changes, in particular the lenient qualifying barriers and the higher benefit payment rates, presumably because easy UI had the potential for shifting the power dynamics in the employment relationship. Moreover, the penalty for quitting a job or firings for cause was only three weeks [Lin (April 1998) 71]. Unquestionably, the plan was strongly redistributive, focusing on regional factors in the development of its benefits scheme by

recognizing that it was necessary to fund recipients for additional weeks based on regional disparities in unemployment rates. This was stressed by the 1970 Income Security for Canadians document, which also advocated strong income maintenance measures for lower income groups, as a primary source of poverty alleviation.

The impetus to state funding participation in the 1971 UI Act was the theoretical underpinnings of Keynesian economic ideology which entailed government control of unemployment through fiscal and monetary management. The pursuit of these aims were evident in the statement by the Minister of Labour, Bryce Mackasey, during a 1970 House of Commons proceeding,

If unemployment in a country hits 6,7,8 or 9 per cent it quite often is intentionally the result of fiscal and monetary policy which had to be applied to cure another illness....it is logical the government should assume the responsibility of paying for the plan [Canada. House of Commons (September 15,1970) 10:12].

In 1972 benefit payments rose to \$1.868 billion, a significant increase from the \$891 million that had been paid out in 1971. Almost immediately blame was laid on labour market disincentives and abuses, rather than the structural unemployment problem that had emerged in Canada. By 1973 annual benefit payments had grown to \$2 billion. Despite a fairly high average unemployment rate of 5.4 per cent the following year, the cumulative deficit was declining, meaning that premium receipts were exceeding benefits payout, due to premium increases. The inclusion of large numbers of workers in the services sector, many of whom were women, had certainly benefited the revenue side of the equation. This trend continued and, by 1976, the fund held a cumulative surplus of \$204 million [Dingledine (1981) 71-75,85].

2.3.5 The Period of Contraction - 1975 to 1989

The year 1975 marked a turning point in UI policy. Conservative national and even international views on social policy as well as a fiscal crunch marked the beginning of much tighter program provisions. The 1975 Bill C-69 constricted the regulations on coverage, eligibility, and benefits levels. This was also an early reflection of the added pressures of ongoing federal deficits, with UI costs having grown from 4.6 to 10.1 per cent of the federal budget [Muszynski (1997) 11]. The changes began with the disqualification period increasing from 3 to 6 weeks for workers who quit or were fired. There were reductions in the benefits available to those workers between 65 to 70 years of age which were justified because of the overlapping with other programs directed at old age benefits, such as the CPP, Guaranteed Income Supplement and Old Age Security. For the first time since its inception, the UI program eliminated the dependents benefits and all claimants were to receive the same benefit rate of 66.67 per cent. The changes were justified with the argument that family allowance increases would serve to replace these needs payments (even though family allowance was supposed to be directed at mothers) and by pointing to the indexing of the income tax system.

The government was also aiming to shift much of the program financing to employer/employee premium contributions, as well as reducing its own role by establishing a higher unemployment threshold rate at 5.6 per cent in 1976. It was expected that the government's savings in 1976 dollars would be approximately \$660 million and the increased cost to the private sector would be \$490 million. Also eliminated was the advance-payment program which had been implemented in 1971: a lump-sum payment of three weeks following the standard two-week waiting period, issued to claimants for the expressed purpose of saving administrative efforts and

costs associated with short term claims. Many shared the view that this program contributed to worker disincentive effects which extended the period of unemployment duration. Nonetheless, public dissent followed Bill C-69 as the longer disqualification period would bring hardships to many claimants and it avoided dealing with the unemployment situation [Dingledine (1981) 78-80,90-95].

In 1977 Bill C-27 increased the previous eight qualifying weeks for entrance into the program to a variable entrance requirement (which became a permanent feature of the program) of 10 to 14 weeks based on regional unemployment rates. This was estimated to save \$140 million per year. Moreover, any savings from such a change was to be redirected for developmental uses, such as job creation programs, work sharing and training (directed at preventing the deterioration of workers' skills). Groups representing the business community preferred an increase to 20 weeks because they believed UI availability increased the reservation wage of workers who then refused to fill the low-wage job vacancies. On one hand, cost-cutting measures were focused on the disincentives of lax regulations on work patterns. Moreover, in the 1976 fiscal year, the Auditor General also reported that there had been \$95 million in overpayments from a total benefit pay out of \$3.9 billion (in 1977 it was \$142 million and in 1978 it was \$290 million) [Dingledine (1981) 93-95,97,111]. It appeared as though the problems of the costly UI scheme were accentuated by the administrative complexities within layers of rules and regulations.

Towards the late 70s, the government was continuing to retreat from the provision of adequate benefits through the introduction of Bill C-14 (1979). It introduced claw-back regulations for higher-income recipients (claw-back to a maximum of 30 per cent of total UI benefits for any income level that exceeded 1.5 times the maximum yearly insurable earnings). At the same time it increased the entrance

requirements to 20 weeks for new entrants and re-entrants. Repeat users faced an extra 6 weeks entrance requirement in lower unemployment areas (under 11.5 per cent). The income replacement level was reduced to 60 per cent. The entrance requirements had also gone from 30 weeks in 1940 to 8 weeks for regular benefits (20 for special benefits) in 1971, then increased to 10-14 weeks in 1977, and finally to 20 weeks in 1979 [Lin (1998) 66-71].

The early-to-mid-1980s were an ongoing period of general crisis in eroding federal government finances as they encountered rising annual budget deficits [HRDC (1998) 11]. During the period 1981 to 1989, 90 per cent of workers had coverage in the program [Erksoy,Osberg,Phipps (1995) 15]. Early in the decade, the federal government continued to withdraw from its funding commitments as the cost of the National Employment Service was to be financed entirely by employer and employee premiums. By 1983, UI exhaustees reached the rate of 50,000 to 60,000 per month. Attention was directed at long-term unemployment as well as incentives for private-sector job creation. Just under one million Canadians were officially considered the 'long-term unemployed'. The Commons debates focused on the humiliation of the 'welfare trap' that many Canadians were experiencing and the possibility of extending UI benefit periods. Legislators were also plagued with ongoing discussions of the relationship between unemployment, financial hardship and family break-up, alcoholism, crime and "people in prison who come from troubled families" [Canada, Commons Debates (June 2,1983) 25960-5].

The legacy of the 1980s contribution to changes in the UI scheme is best

reflected in the recommendations from four reports⁷ which addressed the new labour market challenges of technological change and international competition. All reports heavily focused on worker incentive effects and cost control of the UI program along with administrative simplification and developmental uses of the fund. They mostly agreed that UI had deviated from its perceived insurance principles and that its function should not be income redistribution nor regional equalization.

However, they also recommended that these income support and supplemental functions be handled by other programming [Muszynski (1997) 7-13]. The shifting philosophical underpinnings emphasized the idea that UI had become a 'passive' income security program [HRDC (1994) 8].

However, the Forget Commission had also revealed that Canadian workers were willing to pay higher premiums for a better insurance plan. They wanted to be assured that the benefits would be available to them when needed, as well as being "treated with the dignity... as proprietors of an insurance fund" [Canada. Report to the House (March 17, 1987) 28:7]. These views of Canadian workers may have been a reflection of the growing discriminatory allocational outcomes which were beginning to impinge upon the labour force as a result of program contraction since the mid-70s. Nonetheless, the expression of public dissent at an inadequate insurance scheme would be virtually ignored in the policy measures that would follow this decade.

2.4 The early development of the UI scheme: gender implications

The preceding sections demonstrated that the program was continually amended and designed on a dual-purpose basis, which was to accommodate an

⁷ The Task Force on Unemployment Insurance (1981); The Macdonald Commission Report (1985); The Newfoundland Royal Commission on Employment and Unemployment (1986); The Forget Commission (1986) Majority Report (the latter report cost Canadian taxpayers \$6 million, but it was the minority report that was subsequently endorsed by the House of Commons [Canada Commons Debate (March 23, 1988) 14061]).

agitated male workforce or the needs of a market economy. A segment of the female labour force benefited to the extent of women's growing political power as well as international developmental trends that encouraged the country into enhancing their equality of opportunity through maternity provisions. Nevertheless, social policy was usually predicated on the notion that women were undeserving of income security; thus their dependency on male relatives was legitimized.

The next chapter traces the development of the unemployment insurance scheme from a gender perspective, with a particular focus on women as dependents, married women's regulations, and their early labour force participation patterns. There were crucial injustices (on the basis of modern norms of gender equity) directed specifically at women. However, a combination of the cultural constraints that women faced and their low participation rates would have precluded their substantial presence in the UI scheme for a long period of time.

Later it will be explicitly established that in the contemporary era these injustices are occurring even within a scheme that vaunts a discourse of 'self-sufficiency' and 'accountability'.

2.5 Concluding observations

The purpose of this chapter has been to review the UI program development during the first four decades since its inception. The first decade of the program was characterized as one of growing pains, with many of the evolving changes being male-centered and pro-capital. This was reflected in the pressures to provide benefits to the large number of men in the primary industries.

This chapter has established that unemployment insurance had become a vital part of the Canadian social security system. In its officially recorded documentation,

the government had always promoted the UI scheme's objectives as accommodating the changing needs of the economy. This long-standing goal was evident in the ongoing flexibility and policy-enhancement which recognized the diversity of work arrangements, such as seasonal work, which had become a prevalent feature of the labour market. Moreover, the 1971 UI Act was a milestone in UI reform which also reduced inequitable outcomes for women. The advantages of the scheme's broadened economy strategy was reflected in an ever-increasing B/U ratio.

The period of contraction which began in 1975 marked the beginning of far-reaching policy proposals that would subsequently alter the UI program in many fundamental respects.

Chapter 3: The History of Unemployment Insurance and Gender to 1989

3.1 Women and Dependency in the early UI scheme

Income security had a special significance for women workers in the development of the UI scheme. This was depicted in Leonard Marsh's Report on Social Security for Canada (1943), where he described the social security system as applying to a woman "in her capacity as housewife" [Porter (1993) 114]. While women had made some gains in the suffrage movement, as well as limited upward mobility in the labour market during the first few decades of this century, by the 1930s it was apparent that most Canadians held the view, which was widely-promoted by the middle-class, that women's vocation was that of mother and wife. In fact, for those single women participating in paid work it was expected that they would most assuredly fulfill a temporary and subservient role in the labour market as a cheap source of labour supply. They were actively discouraged from paid work upon marriage. Attitudes always shifted with labour demand in the economy; married women usually filled their purported natural role in reproductive work, yet they often served as a flexible and relatively cheap reserve pool of labourers. They were ushered into the labour market according to accumulation considerations of the economy. This meant that they were regularly drawn in depending on imbalances in the supply of male workers and the status of world unrest, specifically the exceptional circumstances of war.

Indeed, a 1946 Department of Labour document referred to women as the "number one worker reserve" to be "drawn into employment under emergency conditions" [Porter (1993) 115].

In her article on gender status in the development of the UI scheme, Porter (1993) cited a 1946 Department of Labour document as touting the official position that

“women are encouraged only to enter the labour force when economic activity is at such a level that their employment will not prevent men from obtaining positions” [115]. In the socio-cultural pre-and post-Depression era, it was generally accepted that not all citizens were entitled to waged earnings. After World War II, a Gallup poll revealed that 75 per cent of men and 68 per cent of women believed that post-war employment should be reserved for men [Prentice et al. (1988) 303].

A key issue is that any of the gendered debates in the early UI scheme would have begun from a premise of female economic dependency. The general view was that married women in particular would be mostly provided for by way of benefits reserved for men. This idea had also permeated social policy development from the 1930s to 1950s, including Marsh’s 1943 report which has been described as “the founding text of the welfare state in Canada” [Roach Pierson (1990) 83]. Policymakers were intensely focused on rebuilding the social infrastructure in the aftermath of the distressing Great Depression years and, in particular, dealing with male unemployment. Understandably, in the context of the 1940s any dissenting views would have been further inundated in the macroeconomic policy arena of prioritizing veteran employment and their critical reintegration into post-war society, as opposed to any gender balance in economic strategizing [Prentice et al. (1988) 303-10]. The gender issue was only to take centre stage with women’s rising participation patterns and the political consciousness of a second-wave feminist movement in the 1950s and 1960s.

Not surprisingly, gender issues had a pallid presence in the perceptions of the unemployment problem, the development of the legislation and ensuing debates. As a result, the central premise underlying the UI scheme was the concept of a ‘family wage’. The initial priorities were assigned to the income security, industry issues and

work patterns of the male worker who was also deemed the 'provider' of family sustenance.

However, as Roach Pierson (1990) noted, the gendered debates did seep through one particular component of the initial (yet never implemented) 1935 legislation which was in the 'level of premiums and income replacement' to be provided to claimants. This materialized into gendered debates about a flat-rate versus a graduated system of benefits provisions. The 1935 legislation called for 'flat-rate' benefits, similar to the British system of unemployment insurance which was really based on the notion of an adequate replacement of the family wage during periods of unemployment. This goal of the scheme had been supported quite regularly by politicians across party lines in the Commons debates. In 1935, the Liberal Party even brought forward serious discussion of the issue of whether the minimum wage legislation should include provision for a dependents' allowance. In the 1935 proposal, different rates had been set within various age groupings on the basis of gender, with lower benefits (and premiums) naturally being offered to female recipients [85]. This was consistent with socio-cultural ideology that the labour force was a stepping-stone to marriage for young single women who formed the large majority of female workers. They were also likely to be living in the home of a supporting male relative such as a father, until such time as they could secure their primary vocation in marriage and domesticity.

Within this context, it would suggest an oddity that ongoing pressure from women's and labour groups, such as the Canadian Federation of Business and Professional Women's Clubs, had forced the partial abandonment of the subsequent 1938 Draft bill. To the benefit of working women (mostly single), they successfully advocated for the removal of the differential gender classifications that were used to

determine premiums and benefits calculations. However, the age categories were kept intact and were not deemed discriminatory [Roach Pierson (1990) 83-84].

It appeared that the revocation of this inequitable regulation was indeed an acknowledgment by a Commission that was making good on its commitment to promoting the economic and social security of all workers. However, within the scope of dominant public perceptions of what constituted social justice goals, flat-rate proposals were short-lived. On the recommendation of many social policy writers, including the British Consultant, D. Christie Tait's 'Report on a Proposed Unemployment Insurance Bill in Canada', the flat-rated proposals were quickly abandoned because they were equated with a 'social injustice' penalizing married men, because the latter usually had dependents along with heavy obligations of non-deferrable expenses. Tait and many others, such as A.D. Watson, the Chief Actuary in the Department of Insurance, had expressed concerns that the flat-rate system would provide low benefits levels, which was unfair to high paid workers (usually male). This was because high benefit levels produced negative incentive effects for lower-paid workers who were often young single males and females. "In this way it would have less of a pauperizing effect and class differences among the unemployed could be preserved" [Struthers (1983) 200-203; Roach Pierson (1990) 84-87] .

The UI system was also developing to take account of much broader changes in the labour market but, in its preoccupation with the male plight, it was hardly equipped to address the diversity of women's realities. In 1931, only 10 per cent of women in the labour force were married [Ramkhalawansingh (1974) 294]. Another reality was the virtual invisibility of the unfortunate 2.7 per cent of working women who may have had financial responsibility for dependent children and the approximately 2 per cent of women who had adult dependents. It is possible that women for whom paid work was

necessary were beginning to constitute a growing segment of the workforce. Yet any discussion of the economic plight of the female worker needing income support was overshadowed by a middle-class ideology of female dependence. As such, the insurance scheme was not initially designed with any provisions that prioritized female-dominated occupations or work patterns.

As another example, in a report on the flat-rate benefits schemes of 1935 and 1938 to the Chief Actuary, one civil servant pointed out that the payment structure of dependents benefits would have effectively disqualified 49.5 per cent of women workers, as opposed to only 15.6 per cent of employed males. This was attributed to the maximum benefit rule which disqualified low-wage earners from receiving dependents benefits [Roach Pierson (1990) 86-92].

The subsequently proposed graded-rating system of the 1940 UI Act, which based benefits levels on earnings, appeared to have been a way to diffuse the single-female worker discrimination issue that prompted the 1938 draft revisions, and refocused on maintaining the higher-waged married male standard of living. The new scheme would appear more defensible in creating equality based on this notion. Even the Ottawa Women's Liberal Club and the Canadian Congress of Labour seemed to approve, as their preoccupation was in dispensing with women's 'status of inferiority' [Roach Pierson (1990) 88-89]. Yet, curiously unchallenged was the deeply-rooted and historically inegalitarian gendered wage system which meant that the new proposed scheme, with its offer of no higher benefit entitlements than proposed in the discriminating 1935 scheme, would fail to elevate the economic status of single wage-earning women. Of course, as Struthers (1983) has suggested, "...unemployment insurance was designed to mirror the market distribution of income, not to change it." [212]. While a Department of Labour report to the Chief Actuary acknowledged that

relative wage differentials would render women lower benefits, it nonetheless described the scheme's key value in the favorable psychological effect on women workers, in comments as follows:

A direct grouping by wages rather than by sex would establish a sounder relationship (between contributions and earnings and between earnings and benefits) which would not be so unfavourable, psychologically, to female labour.... [Roach Pierson (1990) 88-89].

As will be shown, appeal to the female psyche has been played out again and again, in the discourse of the UI scheme throughout its development.

Dependents' allowances, which recognized the greater financial commitments of married workers, also followed in the 1940 scheme. Despite opposition from those preoccupied with financial considerations, it was deemed necessary to satisfy the 'social principle' (as defined earlier in sections 2.1 and 2.2). It had been criticized by many civil servants in the Departments of Labour, Finance and Insurance, as introducing a 'needs test' which was contrary to the primary insurance objectives of UI program. They argued that the whole idea behind graduated benefits was to give the higher wage males relatively larger benefit levels to compensate for their nondeferrable expenditures. It was suggested that the allowance could create a problem of 'overinsurance', destroying work incentives.

Yet, the Chief Actuary extolled the virtues of the 1940 graded-rate UI scheme as 'the soundest socio-economic institution on the whole' (of all existing social programs), even with the inclusion of dependents' benefits, as they did not violate the 'insurance principle of predictable need'. Other civil servants argued that the introduction of dependents benefits would be more expensive than the flat-rate system, and they would be best addressed through the proposed Family Allowance scheme which could better deal with the reality of generally low wages in the economy. Nonetheless, Watson recommended "a thorough-going recognition of dependents....to obviate the

necessity for additional assistance or relief measures” [Roach Pierson (1990) 90-93]. Despite vehement opposition, the approaches to UI policy were an obvious attempt to disassociate unemployment (in particular married male unemployment) from the perceived human degradation of dole or needs-based relief.

As a further crucial point, Struthers (1983) argued that the graded and flat-rate benefits debate “cuts to the heart of the most crucial dilemma in unemployment insurance” [200]. The choices that were made early in the scheme are of particular importance to women’s equitable economic status, in terms of a minimally acceptable standard of living when they are faced with unemployment. Struthers also pointed out that graded benefits had the potential for destroying the work ethic of higher-wage earners (for example, by lengthening the job search), just as easily as the disincentive effect of flat-rate benefits on low-wage workers. He questioned, “...should unemployment insurance be used to redistribute income or to enforce the work ethic?” [200-202], and the graded-rate system was implemented on the basis of the latter. In fact, either system created vulnerabilities to actuarial principles. Nonetheless a deliberate choice was made to devalue a certain segment of the labour force, which were women and other unskilled marginalized workers. Moreover, as will be shown in the following section, the ‘work ethic’ embodied a unique definition for which mostly the male workforce would receive credit.

3.2 Women’s access to unemployment insurance coverage in the 1940 scheme

The preoccupation with actuarial soundness in the drafting of the 1935 Act was heightened in the context of the collapse of Great Britain’s UI scheme in the 1920s due to extremely high unemployment. Within their own climate of mid-1930s high unemployment, Canadian policymakers were very cautious to preserve the insurance

character of the scheme, by only including some 'steady' workers and industries [Struthers (1983) 122-124,212]. The ratio rule formula, which established a qualifying period and penalized repeat claimants, was also a part of the initial cautious limitations [Dingledine (1981) 11]. The penalty for repeat claimants was criticized by some who recognized that, for many workers, regular unemployment was through 'no fault of their own' [Roach Pierson (1990) 97]. For example, marginalized workers would most likely have a poor employment record which would disentitle them, even though they were the workers most in need [Struthers (1983) 201]. However, this was the 'intended' policy instrument of the actuarially-preoccupied.

There were two regulations that created an immediate disadvantage for women workers because of their occupational segregation and labour force participation patterns. First, the ratio rule formula ensured entrance eligibility for mostly male workers.

Second, insured occupations excluded the very areas where there was a high concentration of women workers. During the earlier years of this century, 95 per cent of women in paid work were located in the five major occupational groupings of clerical, domestic service, teachers, nurses, garment and textile workers. All of these jobs were of an intermittent or irregular nature, fluctuating to suit the needs of employers and ineligible for benefits coverage. By 1961, the employment distribution had changed very little, with a slight decrease to 85 per cent [Ramkhalawansingh (1974) 302].

The design of the 1940 UI scheme explicitly excluded from coverage 'professional nursing for the sick or as a nurse-probationer' as well as 'employment in a hospital or charitable institution', teachers, domestics, and part-time workers [Dingledine (1981) 10]. If the minority of working women who had financial responsibility for dependents were effectively disqualified from income replacement

when unemployed, it would have forced them to resort to welfare assistance. It should be noted that this contravened the original purpose of the program as stated earlier.

Private employment which constituted 60 per cent of the nursing workforce was excluded from the Act. The 1929 Weir Survey of Nursing Education in Canada revealed that private nursing employment fluctuated with the business cycle, leaving these workers extremely vulnerable [Coburn (1974) 145]. By not actively considering female-dominated professions, up to 40 per cent of women workers were immediately excluded. For example, domestic workers and private nurses commonly attained full-time employment status by working for a number of households, yet they were disqualified because the Act did not allow the adding-up of earnings from all employers. In her study on gender and unemployment insurance debates, Roach Pierson (1990) pointed out that the average female worker would not have qualified because of the intermittent or casual nature of her employment [97-99]. Faced with unemployment, this would have immediately brought women down to the status of dependents.

Although the coverage of part-time and casual workers presented awkward administrative problems in terms of feasibility, there were some changes in the early 1940s to the definition of the continuous employment requirement that may have benefited a few women. Indeed, for the majority, it took decades to iron out this 'administrative dilemma' which may have been attributed to their lack of political and social power. As explained in an earlier section, the immediate goals of inclusion were male-dominated, primary seasonal industries, such as lumbering and fishing and some jobs in agriculture. These employments also presented special administrative difficulties, yet solutions were prioritized. For those women who could not be supported by male relatives, the state stepped into its traditional benevolent paternal role with social assistance. Dependence on the dole by a female population was more socially

acceptable. The goals of economic stabilization were also a male function as they were thought to possess most of the economy's purchasing power.

In the nursing profession, the state may have deemed the effect of extending UI benefits to nursing trainees a disastrous move as it would have given them some power over the sweatshop conditions under which they worked, mostly at poverty level wages. Most student nurses only tolerated the abusive and exploitative circumstances because they had no other means of income support. However, approximately 50 per cent left their training anyway prior to its completion and, for many, marriage was the most feasible alternative. In 1929, 60 per cent of the nurses who endured training could, upon graduation, only get work as private nurses. For many, work was only available for seven months of the year in this type of employment. In 1930 only 6 per cent of nurses had steady employment within an institutional setting because of hospitals' vested interests in the practices of using cheap student nurses. Moreover, 92 per cent of nurses were unmarried and likely to be self-supporting, although low wages forced many to live at home with their parents [Coburn (1974) 141-146,162]. However, when the 1940 UI scheme was introduced (the issue also permeated the 1930s debates), it explicitly blocked their coverage by excluding most workers within the profession, irrespective of their vulnerability to periods of unemployment and labour surplus conditions.

This insurance program was yet another branch of the social safety net subject to arbitrary rules and regulations of agents of the State, namely a UI Commission or Advisory Committee and many politicians who discriminated against women all along. For example, nurses were never treated as autonomous professionals. They provided a cheap source of caring social labour which allowed the state and medical profession to exploit the use of an excessively long training program, in order to pay subsistence

wages. However, the Commission deemed it perfectly acceptable to categorize nurses with the highly-paid, fee-for-service physicians, thus justifying their exclusion from UI coverage [Roach Pierson (1990) 99-100].

With respect to other benefits in the plan, women received similar advantages to male workers, but only to a limited degree because of inherent structural labour market features. First, their much lower wages rendered them lower net benefits. They were also not highly represented in that segment of the workforce for which additional benefits or special rules were extended (seasonal workers, primary industries, supplementary benefits during the winter months).

As the program evolved through the 1940s, many studies and surveys of seasonal workers and women were undertaken. For example, by 1944 the Commission was evaluating whether the provisions of the Act should be extended to some nurses, hospitals and charitable institutions in the growing health field, to public service employees, as well as to male-dominated jobs in logging and lumbering [Dingledine (1981) 18]. However, it took almost three decades for the Act to incorporate many excluded categories disproportionately employing female workers. For example, in connection with teachers there was the assumption that they were in secure employment, similar to civil servants, although neither work situation provided women with any kind of permanence in their employment contracts. Until 1955 most school boards required newly married women to give up their jobs and, if not upon marriage, then it was absolutely necessary at first pregnancy [Roach Pierson (1990) 98].

3.3 Married Women's Regulations - 1950 to 1957: A threat to the 'virility of the nation'

While it was evident that the 1950s were a decade of continuing program expansion, particularly in the extension of benefits to the male-dominated seasonal industries, the UI Commission found itself embroiled in concerns over the financial feasibility of providing benefits to some married women. The suspicion of female claimants had been a hotly debated issue since the 1935 proposed UI Act. However, it had diminished somewhat with the implementation of the ratio rule formula in the 1940 UI Act which automatically disqualified many women workers. As well, in 1941 married women's participation was still very low at 12.7 per cent of potential female workers [Ramkhalawansingh (1974) 294]. Roach Pierson (1990) pointed out that "the 1935 legislation closely followed the British UI Anomalies Act of 1935, and Regulations of 1931" [94] and trends in some U.S. states [Porter (1993) 119]; it provided the Commission with significant power to control married women's access to benefits [Roach Pierson (1990) 95].

What had preceded the regulations were the events of World War II, whereby large numbers of women had been enticed into the labour force. However, the subsequent struggles of maintaining the feasibility of the UI scheme in the 1940s era of post-war economic stabilization spawned the basis for imposing additional eligibility conditions on women in the form of 'Married Women's Regulations'. The new eligibility rules applied to women who terminated their employment within two years of becoming married; they had to show by their personal employment record that they had worked for at least 90 days after marriage if not employed at the time of marriage. Alternatively, if a woman was employed at the time of marriage and quit her job afterwards, she had to work for 90 days after leaving that job in order to meet the

eligibility requirements. Throughout the 1950s, the 90-day period was reduced to 60 days; eventually there were exemptions for 'just cause' types of quits, including the move to another city [Porter (1993) 118,129].

At the root of this departure from the income security principles of the regulations were ideological perceptions of a family, with a male-centered wage being the central socio-economic unit. There was a presupposition that married women were connected to male relatives as their 'dependents' and did not pass a needs test. Even the 1943 Marsh 'Report on Social Security for Canada', as well as the White Paper on Employment and Income (1945), suggested that women would voluntarily give up their jobs after the war in order to resume their domestic roles. It is a fact that officials such as the Minister of Labour and the UI Commissioner promoted the state's objectives of disqualifying married women, through a media campaign directed at creating the suspicion that most married women, at any opportunity, would attempt to 'defraud the scheme'. Not surprisingly, the Commission would deem it a completely perplexing concept that women should be entitled to equal access to income security, or even that they should be considered a highly employable group, because of cultural factors that worked against the acceptance of married women as paid workers. When women were connected to employed male partners, this would be a good reason for their disqualification. A further example of this was a recently-married woman's two-year disqualification if she voluntarily left her job to move to another city with her husband. Nonetheless, some exemptions were extended to a minority of women who had become sole supporters of sick husbands, widowed, or who were pressured to quit their jobs because their employer preferred not to keep married women on staff [Porter (1993) 114-119,129].

To provide an indication of the relative power of women as a social group: after 10 years the UI plan had reserves of \$664 million and it had only paid out \$90 million in benefits [Dingledine (1981) 27]; yet the annual savings of the seven year Married Women's Regulations was a minuscule 2.5 million per year. Clearly married women had struck the 'actuarial nerve' of many civil servants and business groups. This purported 'drain' on the fund prompted reports and active pressure from business groups, journalists, the UI Commissioner and his actuarial adviser, all spouting jargon about abuses and fraud. The Canadian Construction Association even argued that "the virility of the nation will suffer if people can receive support in this manner" [Porter (1993) 118-20]. In 1950 the Deputy Minister of Labour, A. MacNamara, stated:

I suppose that there are quite a number of girls who have no intention of working after they get married who will be glad to have Unemployment Insurance Benefits to pay the instalment on the Washing Machine ---or is it a new Television set ? [Porter (1993) 122].

Some organized labour groups initially took an ambivalent position on the regulations. After receiving a memo from an official in the Trades and Labour Congress which suggested that the married women's regulation was 'well thought out', MacNamara stated that "in view of his attitude I think there should be no hesitation about putting through the regulations". In addition, many groups, such as the National Council of Women which was the largest women's 'equal rights' advocacy organization in Canada, also supported the middle-class notion of women's dependent status, particularly when addressing labour issues. The Council had minimal criticism of the married women's regulations until the mid-1950s and, even then, they were carefully guarded not to challenge the UI Commission. This was evident in the sound defeat, at the Council's 1954 annual meeting, of a resolution requesting that the Minister repeal the married women's regulations in favour of treating these women in the same manner

as other claimants. However, this resolution was later passed in 1956 [Porter (1993) 124-125;134-141].

Without question, gender inequities surfaced in the post-war period, particularly because women had subsidized the UI scheme with premiums paid during the war years. The intent behind married women's regulations was really an economic stabilization strategy directed at male unemployment in the post-WW2 readjustment period amidst the lingering fears of a recurrence of the Great Depression. The state undertook many efforts, including the endorsement of arbitrary and discriminatory administrative rules of disentitlement in the UI program, in order to get women out of the labour force and make room for male employment.

Conversely, another strategy for those women who had an economic need for employment was to ensure their segregation into lower-wage sectors, such as store clerk jobs or housekeepers, on the basis of the assumption that most women would be secondary income earners. This was accomplished by disentitling women to benefits if they would not accept a dissimilar job or a relatively large drop in wage. The 1946 Department of Labour report 'Canadian Labour Market' remarked that there was a huge private-sector demand for women in low-wage sectors, such as services and textiles, providing further support for women's disqualification from UI entitlements. The Canadian Manufacturers Association was a stakeholder in the implementation of married women's regulations and in 1949 it submitted a brief on the issue to the UI Advisory Committee in which it actively argued in favour of the new rules [Porter (1993) 115-120]. This implied that a woman would be left with two choices: financial circumstances permitting, she could either become a housewife or take a low-paying job, the latter being the likely scenario for many working class, immigrant, and ethnic minority women.

By 1951, the Commission claimed to have achieved great success with its married women's regulations because, within a four-month period, it had disqualified 8,884 women and 77 per cent of married female UI claimants dropped out of the labour force [Dingledine (1980) 26]. However, throughout the 1950s there was growing sympathy within women's groups and labour bodies such as the Canadian Congress of Labour, who were beginning to forcefully advocate the abolition of these regulations at their annual meetings. Even the Canadian and Catholic Confederation of Labour supported its abolition. Eventually, in late 1957, the pressure from the numerous challenges to the discriminatory nature of these rules forced a repeal of the married women's regulations [Porter (1993) 131-132].

While economic growth spurred an increasingly significant participation of married women during this period, few women were registered as claimants in the plan during the 1940s and 1950s [Appendix 2]. Women's measured unemployment rates were well below 3 per cent and also below the male rates until the late 1960s [Appendix 3 & 4]. However, the issue of how women's unemployment was measured raises considerable debate when cultural and institutional factors such as married women's regulations blocked the appropriate accounting for their numbers. For example, unemployed workers were not supposed to be disqualified as a result of holding out for their usual wage or working conditions. However, in practice there were numerous reports of many women being cut-off benefits for refusing to accept much lower wages [Porter (1993)115-117]. What is also unclear is how many women reported themselves as unemployed when they were forced out of the labour force after World War II. However, these inequities and errors in appropriately accounting for women's unemployment would assist their efforts in gaining accessibility into the scheme later on in the early 1970s.

3.4 Women and access to the labour market in the socio-cultural context of the 1950s

Throughout the 1950s another trend was progressing: the significant increase in the ratio of married to single female workers. In 1951 married women represented 30 per cent of the female labour force, as opposed to only 10 per cent in 1931. This was an indicator of soaring marriage rates but also of the fact that many women had remained in the labour force during the post-war years. A continual and significant upward shift in their participation patterns resulted, by 1961, in a 47.3 per cent employment rate of married women (of the total female labour force), which now exceeded single women's participation [Appendix 5] [Ramkhalawansingh (1974) 294]. In the early 1950s, the Women's Division of the National Employment Service reported that a 'steady increase' in female registrants was partially attributed to the rising cost of living and the financial need for supplementary incomes. Of the employed married women, over 50 per cent had dependent children, and 80 per cent were full-time workers [Prentice et al. (1988) 313; Porter (1993) 140].

In 1951 women had earnings in just over 14 per cent of families. The average income of a male head of household was \$2844, and a married woman's earned income, on average, was 34.4 per cent of her husband's (\$979 - mostly derived from part-year economic activity). Women's labour force participation and, therefore, average incomes mostly increased with family size and mainly for reasons of economic necessity. For example, the total average income for a family of four people was in the range of \$4000-\$4999, which in all likelihood included the subsidiary incomes of women. Only 15 per cent of husbands earned \$4,000 but, with the inclusion of women's wages, 50 per cent of families achieved this income level. Women who were employed on a full-year basis earned on average 51.8 per cent of male incomes

(\$1604/\$3097). Female heads of families only earned 39 per cent of the average male wage⁸. In addition 33 per cent of working women were immigrants, the outcome of liberal post-war immigration policy [Dominion Statistics (1954) 11-29; Prentice et al. (1988) 313].

Evidence suggests that these issues may have also been a contributing factor to the revocation of the Married Women's Regulations. Many groups had argued that the Act had created a 'class of persons' based solely on their marital status, quite contrary to other workers [Gill (1962); Porter (1993) 132]. The changing ideology away from women as 'dependents' was reflected in the posing by Diefenbaker's Labour Minister Michael Starr of two reasons for the revocation of the regulations: "a dislike for discrimination, and the continually increasing importance and permanence of married women as working women" [Porter (1993) 137]. In the late 1950s, in recognition of growing female participation and despite unrelenting opposition by groups such as the Canadian Manufacturers' Association (extending well into the sixties), the UI Commission appeared to 'make good' on its promise to provide income security for the economic well-being of these newly married female workers.

Permanent changes in the market economy had created a new reality in the labour market expansion of married women, particularly in the shift of Canada's industrial structure to the growing services, which necessitated accommodation by the UI scheme. Women's labour force participation had grown from 25.3 per cent in 1946 to 29 per cent in 1961 with a further jump to 34.5 per cent in 1967 [Canada.Cousineau (1969) 28]. In this sense, the peculiar dichotomy of women as workers or as dependents seemed overshadowed by their newly adopted social and economic roles.

⁸ By 1996, female lone-parent families still only earned 37.2 per cent of dual-earner family incomes (59.7 per cent for male lone-parent families) [Statistics Canada (1998) 16-17].

In the next few decades women were to be relegated to 'secondary income earner' status, implying that their incomes were not deemed absolutely essential for maintaining the family's needs. These erroneous ideas were evident for a long time to come with the continuing suspicion directed at married women well into the 1990s.

Placed into historical context, women's public participation and community contributions were devalued in all aspects of social and political life, and perceived as being primarily a supportive function. In 1913, the premier of Manitoba advised Nellie McClung that he "didn't want a hyena in petticoats talking politics' to him" [Canada, Commons Debates (May 29, 1975) 6238]. The lack of leadership roles for women created an enormous undertaking for social activists to pursue goals aimed at increasing women's political awareness.

For example, in 1970 the Report of the Royal Commission on the Status of Women wrote that only four women Senators occupied the upper house of 102 seats [Cochrane (1977) 49]. The Senate had the ability to exert considerable control over the development of Canadian social policy. Activism pressuring the prime minister to appoint a woman senator began in 1919 with a resolution during the first conference of the Federated Women's Institutes of Canada, later endorsed by National Council of Women (as well as the Montreal Women's Club). It took years of constitutional challenges on the question of whether women were 'qualified persons', which had blocked their eligibility to be appointed to the senate. Finally in 1929, in its reversal of a judgment of the Supreme Court of Canada, the Judicial Committee held that the BNA Act did include women in its definition of persons [Prentice et al. (1988) 280-82; Canada, Commons Debates (May 29, 1975) 6238]. However, four decades later, the breakdown of any kind of equitable form of representation in Canadian lawmaking continued to largely influence the status of women in all aspects of mainstream thought

in social policy areas. Moreover, by 1974, women only comprised 8 out of a total 264 Members of Parliament. At the international level the picture was equally dismal. At the UN general meeting of 1973 there were 180 female delegates out of a total of 2369 representatives [Canada, Senate Debates (June 25, 1975) 1103-1105].

Of course, at the time of inception of the UI program, Quebec women had only just been awarded the vote (on April 25, 1940) after encountering much opposition within the Roman Catholic Church. Church officials often participated in enhancing the economic exploitation of women through media campaigns. For example, one Church official wrote in the newspaper *Le Canada* in 1922:

The entry of women into politics, even by merely voting, would be a misfortune for our province. Nothing justifies it, neither the natural law nor the good of society [Prentice et al. (1988) 283].

The ideology of women's 'natural domesticity' permeated every aspect in the history of the nation's socio-cultural norms.

Moreover, a male-dominated bureaucracy, in particular management control, permeated all aspects of the 1940 UI scheme at its inception. In 1935, Prime Minister Bennett had suggested the active recruitment of a woman as one of the Advisory Committee members. This was incorporated into the 1938 Draft Bill [Roach Pierson (1990) 101] although the female appointed position was subsequently deleted in 1947. The speculated reason was the need for 'regional representation' on the Committee, *which was undoubtedly an issue of the male workforce and capitalist profiteering*. Indeed, it was also most likely attributed to women's weak political representation [Porter 1993] 126]. As will be shown, the maternity benefits Commons debates were dominated by male perceptions of women's health issues related to childbirth. Their dismissal of women's concerns in the 1971 UI Act resulted in enormous administrative

complexities, including constitutional challenges that mandated subsequent regulation changes in 1975 and again in the 1980s.

Indeed, the challenge for women was that social policy, including unemployment insurance, had developed in an environment conducive to the undermining of their opportunities for independence. Moreover, in economic terms, women's presence in uninsured occupations guaranteed the maintenance of a reserve army of flexible workers. The process necessitated inaccessible benefits so that they could not hold out for better employment; when convenient, policy measures facilitated the strengthening or severing of female labour market attachments. Later, in this thesis, empirical evidence traces these trends through the 1960s; contemporary events suggest a very similar restructuring of today's Canadian labour market.

However, throughout the 1930s to 1950s, women were beginning to exhibit some clout through the Canadian Federation of Business and Professional Women's Clubs, who sought to improve working women's lives, lobbying for equality in UI legislative amendments. During the Depression years, they are credited for having been active in the debate over the firings of female bank clerks as well as raising crucial funds necessary to establish an employment service for women [Prentice et al. (1988) 264-5]. Yet the National Council of Women, the umbrella organization for women's groups across Canada, had always focused on women's domestic roles, which had been reflected in their advocacy for mothers' allowances, dower acts, desertion and divorce laws, as well as child welfare and infant mortality. The predominantly middle-class council membership also took a position of male superiority in labour market issues. They rarely focused on contentious issues and it was only whenever they feared that young women would turn to prostitution, that it prompted their engagement in gendered labour market issues. This was then limited to their

endorsement of the amelioration of working conditions in domestic services. However, for the most part, women's groups like the Council had minimal visibility in those years.

Gender-based constraints in the relation to the economy were such that the loss of female employment was not attributed to economic disturbances, and it was not considered a threat to macroeconomic stabilization. Women's reality was that demand for many of their traditional jobs usually exceeded supply and, if not, they could always be channeled into domestic services [Roach Pierson (1990) 100]. They were not perceived as being among the 'deserving unemployed employables'.

3.5 The historical development of UI entitlements for women workers and the maternity question

The political impulses of strong women's groups and unions would have been the extra impetus to the 1970s maternity benefits regulations. As shown in Appendix 6, during the 1960s married women's participation was expanding, yet married men's participation remained very high, averaging well over 95 per cent [Dominion Bureau of Statistics (1960-1966)]. Women's low unemployment rates made them an excellent risk for inclusion in the UI scheme. Between 1957 and 1967, women's participation rate in their child-bearing years had risen from 47 to 57 per cent in the 20-24 age group, and 26 to 34 per cent in the 25-34 age group [Department of Labour (1969) 1]. By 1962 the average full-time female/male wage ratio was 52.5 per cent (\$2634/\$5014). This improved slightly to 55.8 per cent by 1971. Canada lagged behind on the international front, as the same ratio in Sweden was 80 percent with over 60 per cent of women participating in the labour force [Canada, Commons Debates (May 29, 1975) 6239].

3.5.1 The 1962 Gill Commission

The legacy of the 1960s may be established by the opposing philosophical orientations of the Gill (1962) and Cousineau (1969) reports. Following the earlier UI scheme tradition, the November 1962 Committee of Inquiry into the UI Act (Gill Report) continued to favour strict insurance principles and it was heavily focused on program incentives and abuses [Cousineau (1969) 475]. The Gill Report acknowledged that a change in the environment, in the form of slower economic growth and the changing dimensions of unemployment, had nearly bankrupted the fund [Canada. Gill Report (1962) 1]. In referring to seasonal work, the document suggested that most of the abuses were 'legal', in that employers and employees,

work the fund [and] It is true that he [obviously referring to the male worker] may need some outside assistance to enable him to tide over the idle period but this is not the concern of insurance and it would be a distortion of an insurance plan to provide such assistance under the guise of insurance [103].

The Gill Commission conceded that seasonal benefits distorted principles of insurance because there was no 'loss of wages'. However, they were forced to address the reality of the labour market and recommend 'extended benefits' as there were no other appropriate social security programs available to deal with the problem [103,133]. In its statement of general philosophy, the Gill Report noted the following:

...the system of unemployment insurance in Canada as it now operates will not and cannot meet the problems and requirements of either today or tomorrow. We are living in an era of extraordinarily rapid change. Revolutionary advances in technology, new conditions of foreign trade and a continued marked expansion of the labour force will have far-reaching effects on the operation of the economy and on the occupational structure of the population. In these circumstances it is obvious that there is an urgent need to re-examine the procedures of the past and to devise new approaches commensurate with the realities of the future [2].

More pointedly, the discourse of the era was on “positive solutions to the problems of unemployment”, and specifically, “forward manpower policy” or “the development of adequate opportunities for employment and the fullest use of human resources [as] a prime concern to the community” [3].

In the late 1950s, manpower and labour market policies had been a reflection of growing concerns about the structural, as opposed to cyclical nature of unemployment, that had usually been dealt with through Keynesian fiscal and monetary management. However, policy was also being directed at ‘specific demographic bottlenecks’ in the labour market, in particular youth unemployment [Pal (1987) 41,48].

Indeed, the Gill Commission’s hallmark was the misogyny disguised in the dialogue of ‘actuarial soundness’ which permeated the report’s recommendations with respect to women’s issues. Although it stopped short of recommending that ‘Married Women’s Regulations’ be reinstated (a politically suicidal move), the Commission attacked married women in its summary of recommendations, as follows:

(17) That a woman who has children below school age in her care be considered unavailable for employment unless she can prove to the satisfaction of the Unemployment Insurance Commission that she has made satisfactory arrangements for the care of the children should she receive an offer of unemployment [13].

This type of request has never been directed at fathers (particularly lone-parent fathers).

However, its recommendations in dealing with the seasonality issue and those who ‘work the fund’, were extended benefits that would “be available to persons who are unemployed by reason of a regular seasonal fluctuation in their employment pattern and who would therefore be unable to qualify for regular benefits because of the proposed seasonal regulations” [133].

First on the report's list of 'abuses'⁹ was "(a) the drawing of benefit by married women who are not in fact seeking employment" [133]. A middle class bias permeated the report's dialogue, that married women have the "...unique ability to move into and out of the labour force at will abuse the plan through drawing benefit while not genuinely seeking work married women are in a particularly favourable position to use the insurance plan in this way" [133-134]. From statements made by the Gill Commission, one might infer that women occupied the cushiest positions available in the labour market. Seasonal workers (and their employers) were behaving in a similar manner yet every effort was made to accommodate them through the offerings of 'extended benefits'.

The Gill Commission also stressed that maternity benefits not be included in the UI scheme.

Regulations of this type would not be intended to discriminate against pregnant women or the mothers of young children but they would be intended to preserve the insurance character of the unemployment insurance plan by preventing payment of benefit to persons who are in fact unavailable for employment... an unemployment insurance plan should not be made to provide benefits that are properly within the sphere of some other social security plan. If it is desired as part of a general program of social security to provide maternity benefits for women who are normally engaged in industrial employment, this should be considered on its merits and should not be swept in as part of an unemployment insurance plan [135].

Moreover, in referring to seasonal workers, who were equally unavailable for employment on an annually episodic basis, its recommendations were

...the second part to be a plan, supported from general taxation revenues, to provide extended benefits payable to persons who have exhausted their insurance benefits, ...to persons whose unemployment follows a seasonal pattern [9].

⁹ This list of 'abuses' occupied the next three full pages of the report.

However, the report recommended a method of spreading out seasonal workers' incomes through the year, as it suggested that a worker who was employed over 40 weeks per year "can reasonably be expected to carry through the remainder of the year on his own resources" [Cousineau (1969) 16]. This has been a popular practice in the female-dominated teaching profession. The idea of the seasonally unemployed 'saving for a rainy day' had permeated policymakers' attitudes since very early on in the development of the scheme [Struthers (1983) 6]. Nonetheless, the highly popular Cousineau (1969) report subsequently favoured a government subsidy to these types of industries [21], and under the shadow of its developmental philosophy, expansive coverage for seasonal workers was a crucial element in the design of the 1971 UI Act.

Despite the inequities to women, it should be noted that the UI scheme furnished the impetus for the growth of cyclical (seasonal) industries. It effectively financed a firm's workers on a part-year basis, while lowering labour costs. Many internationally competitive seasonal industries, like fishing and forestry, would have rapidly dissolved if faced with the higher labour costs that the unemployment insurance program subsidized during the off-season. For example, in 1968 the construction, forestry, fishing, and trapping industries withdrew \$94 million more from the UI fund than they had contributed in premiums. Manufacturing, trade and commerce had put \$37 million more into the fund [House of Commons (April, 1971) 5082].

Many economists might have argued that subsidizing these weak seasonal industries impeded the nation's long-term economic welfare objectives. It may have also forestalled the efficient reallocation of workers into other industries that needed full-timers, perhaps in different regions of the country and, therefore, it would have hindered efficient labour market adjustment mechanisms in the Canadian economy.

However, there has also been evidence that many non-economic factors will hinder labour mobility, such as strong family ties or cultural reasons, thereby nullifying any such policy measures [Lin (1995) 9]. But no matter what kind of UI program cost reformation occurred, it was recognized by most policymakers that it served no socio-economic benefit to facilitate a further shift to dependence by forcing this sporadically unemployed group onto the stigmatizing experience of social assistance. These measures would have deviated from UI goals as well as the macro stabilization goal of upholding sufficient purchasing power in the economy.

3.5.2 The 1969 Cousineau Report

Indeed, the government just sat on the Gill Report because the document did not articulate its own economic vision. Neither did it share in the state's preoccupation with the emerging international environment of 'social and community development'. This may be explained by the fact that Gill Committee was an offshoot of the political persuasion of the Conservative Diefenbaker government which had been replaced by Pearson's Liberals in 1962. The report also undermined the emerging need for relaxed entry barriers into the program.

There were two primary issues at hand. First, the Department of Labour was co-opted into conforming with the philosophical orientation of countries such as Sweden. Maternity benefits were already provided to women workers in 80 countries. Moreover, for years the International Labour Organization (ILO) had been strongly recommending the addition of maternity benefits to unemployment insurance schemes. The Minister of Labour, Bryce Mackasey, stated "...we are only doing what other civilized countries did many years ago. We are not breaking new ground: if anything we are just imitating or copying plans that are in force in many other countries of the world..." [Canada.House

of Commons (November 3,1970)]. A 1966 Department of Labour - Interdepartmental Committee had also been seriously examining the maternity and sickness provisions of the Scandinavian countries [Cousineau (1969) 29].

The Cousineau Report was a reflection of changing attitudes, in terms of the philosophical shift to a community development approach. It infused heavy appeal to the fact that “the Unemployment Insurance Programme needs a study in depth as it is doubtful whether it serves in 1968 the needs of the Canadian population”. More pointedly, the objective of UI reform would be ‘social development’. It strongly emphasized the upward trend in the unemployment rate since 1946 and it envisioned the scheme’s central functioning within this newly-emerging environment [Cousineau (1969) Preface,2]. The preoccupation was with the under-utilization of workers through unemployment and with the consequences that “unemployment generates (in the long term), unemployability, similar to other factors like technology” [32]. This approach must be viewed in the context of the major contributing factor to the policy discourse of this period. The 1971 UI Act was developed in the preventive-curative era of social policy which deemed income maintenance as an “investment in the development of the nation’s human resources” as opposed to a “relief measure divorced from the employment and regional policy” [4].

Second, the report identified “two broad areas that constitute a few very important problems”, the unemployed and women as “special groups which are at the core of the new problems” [28]. Women were lumped-in with ‘unemployment’ as the huge economic problems of the day but, at least, they had been upgraded to status of ‘secondary bread-winners’ [25-31]. The report acknowledged that attention should be given to women’s participation because they were “the most important new groups in

productive activity¹⁰, and because the present system appears to be especially ill-adjusted to their needs” [28].

A clear shift in discourse from the Gill Report displayed notional adherence to ideas in phrases such as “procedures discriminating against women...most objectionable...women become more firmly attached to the labour force...there will be a need to adapt the unemployment compensation system to deal with it” [28]. Indeed, the Royal Commission on the Status of Women report had influenced their views. However, the primary focus of the report was on the growth of part-year and part-time work in the Canadian economy. Cousineau reported that

In fact the IC [Department of Labour - Interdepartmental Committee] is very concerned about the part-time workers and new entrants as new features of the environment and their eligibility conditions [UI] are directed toward dealing explicitly with these issues [19].

Heavy political rhetoric of generous benefits appealed to the emotion of the reserve army who had been called upon, once again. The shifts in married women’s participation rates were the result of an economic phenomenon on the demand side of the economy. Women were merely supplying their labour in response to the offer of good wages in expanding types of jobs opportunities. However, it was also conditioned by the growth of a middle-class, consumerist society and suburban lifestyle that subsequently induced the need for dual-earner families, and women would fill this role.

As shown in Appendix 7, in June 1961, 82.7 per cent of employed women worked full-time but only 59.3 per cent worked full-time and full-year. The problem was that 23 per cent of female workers were employed less than 27 weeks per year¹¹. In addition to including most occupational categories of female workers, by reducing the entrance

¹⁰ This was reflected in the significant growth in part-time employment as a proportion of total employment growth (33 per cent in the 1953-64 period) [Cousineau (1969) 29].

¹¹ The pre-1971 entrance requirement was 30 weeks in a 104-week qualifying period; it was lowered to 8 insurable weeks in a 52-week qualifying period [Dingledine (1981) 53].

requirement to 8 weeks they could purportedly ensure eligibility for the majority of the female workforce which would functionally satisfy the political rhetoric of the period. Part-timers (less than 35 hours per week) who also worked less than 27 weeks per year only composed 5.5 per cent of the female labour force [Cousineau (1969) 30], and only a small portion would not meet the new 8-week and 20 hours per week eligibility requirements. The new employment picture of part-year work in the service economy was heavy on the agendas of Department of Labour officials.

Prominent economists such as Sylvia Ostry, who undoubtedly influenced the contents of the report, had identified that, although part-time or part-year work was expanding (it had doubled from 1953-64), much of it was voluntary due to women's influx into the labour market. Conversely, 'involuntary' part-time and part-year work declined dramatically during the period 1953-1964 [29]. It should also be noted that the definition of part-time was less than 35 hours per week (currently, it is less than 30 hours). Part-year work was also defined as 'underemployment'. Ostry concluded that female underemployment was at 26 per cent, of which 22 percentage points was attributed to part-year withdrawal (voluntary) from the labour force and 4 per cent was considered as unemployment (involuntary). This was considerably higher than the male rates of 7 and 6 per cent, respectively. The report concluded that the economic benefits of part-time work far outweighed the costs and that new uses of female labour played a vital role in organizing many industries. It was "a factor of economic and social progress" [31-32]. This implied that the insurance scheme had to accommodate these new strategies so that the benefits continued to outweigh the costs.

What were the benefits to including all female employment categories and lowering the entrance requirements? Of course, there was a substantial group of full-time full-year women workers who would have benefited from inclusion in the liberalized

program. However, in the second-tier female workforce, of the 26 per cent of female underemployment, if 22 percentage points were 'voluntary withdrawal' workers, then by virtue of the UI entrance requirements¹², these women would not have access to benefits, anyway. Yet, they were convenient contributors of 'premium revenues'¹³ at a time when the fund was near bankruptcy. In 1964 the fund had a \$1 million balance in its reserves. Moreover, other service jobs were plentiful. Therefore women's unemployment of 4 per cent would have been of a 'frictional' nature, implying a shorter-term, job search type of unemployment spell. There were good reasons for the Commission to believe that women's unemployment rates would remain relatively low due to growth in the services sector. As a result, they were low-risk clients. The main agenda behind the profound superficiality of women's inclusion in the insurance scheme was a severe deficit crisis. It also appeared as though part-year services sector work was being given similar priority to the male-dominated seasonal work; only this low-risk female-dominated work arrangement would not drain the fund.

Moreover, of the 23 per cent of part-year (less than 27 weeks per year), full-time and part-time workers, many would not qualify for maternity benefits, as they would fall short of the higher special benefits entrance requirement of 20 weeks. Most would have been premium contributors with precarious accessibility to the program.

Nevertheless, maintaining women's labour force attachments had become crucial to the new form of industry restructuring, and a reasonable tit-for-tat arrangement had to be struck through UI reform. Generous maternity benefits were a direct confirmation

¹²Benefits were only paid to those who could show that they were willing and available to work, but were temporarily unemployed for reasons of an involuntary nature.

¹³There had been numerous exceptions of female-dominated jobs in the 1940 and 1955 UI Acts, such as hairdressers (offered in 1965), civil servants, private nurses, teachers (as well as music and dance), hospital and charitable institutions (they were offered voluntary coverage in the 1940s).

of this adaptation. This benefit was also inevitable because the government faced pressures to get on-track with international trends. During this period, industry needed women to return to their jobs upon recall, therefore it was worth paying off the reserve army. As will be shown in Chapter 4, it was only in the following decades that employers would undertake the new strategy of hiring women part-time for the full-year, and flexing their hours during peak periods. Similarly, what would follow in UI policy was an hours-based system, which would also be predicated on the notion of the exclusion of the second-tier female workforce, on the basis of this new type of work arrangement.

The woman-friendly discourse of the Cousineau recommendations, with respect to maternity benefits, focused on the fact that there would always be some individuals who make 'false claims' about their labour force attachments. However, there was no need to penalize, through unnecessarily harsh rules, those who needed legitimate income support. Therefore, the maternity benefit was extended to those who had become pregnant, with no strings attached, in terms of proving subsequent labour force attachments. Notably, the report also pointed out that it would "lighten the burden on provincial-municipal welfare" [Cousineau (1969) 10] which had undoubtedly been the result of lack of coverage for many female workers.

Finally, the Cousineau report also made every attempt to address the corporate abuse problem of 'working the fund', by recommending an experience-rating system (with great debate and little success). It had suggested "Tying the duration of UI benefits to local labour conditions and relating contributions to real costs on an industry basis would make manpower policies both more effective and more essential" [33]. Understandably, it faced enormous resistance from some industry groups and, as well, the Canadian Labour Congress [Canada.Commons Debates (April 20,1971) 5082].

Later, the 1986 Forget Report (of the Commission of Inquiry on Unemployment Insurance) argued that the cost of extra premiums for employers with above average lay-off records would be far below the costs of creating full-year jobs. Nonetheless, it recommended against the imposition of experience rating because, in the climate of high unemployment, employers might be encouraged to use overtime as opposed to hiring additional workers [125].

However, in the spirit of Canada's commitment to redistributive equity, experience-rating was never fully implemented. It was thought to be complex and administratively costly. It was never really necessary for the government to implement experience-rating. They had a new source of premium funding, which was the female contributor who would add to the fund much more than she would ever withdraw. Appendix 8 details the 1977 Benefit/Cost ratios of unemployment insurance. In fact, industries with high female concentration were cross-subsidizing unstable, traditionally male-dominated industries. Although in 1972 the cumulative deficit was at \$152 million, by 1978 *with the inclusion of many female contributors* the UI fund held a surplus of \$741 million [Dingledine (1981) 74,108]. Specifically, as will be detailed in this work, these historical events have been redeveloped and redeployed in the modern era of 'employment insurance' cost and efficiency considerations.

3.5.3 Maternity leave policies prior to 1971

Prior to 1971, it was acknowledged by the government that maternity leave and benefits formed a policy area that desperately required greater uniformity of treatment across the country. This was evident in the very first study on formal maternity leave policies granted to women workers by Canadian firms, which was conducted by the Department of Labour in 1968. At that time, maternity leave which guaranteed that a

woman could return to the same employer was legislated in only two provinces, British Columbia (1921) and New Brunswick (1964) [Canada.RCSWC (1970) 86]. The study was an attempt at establishing the extent of maternity leave available to female employees and its variability or consistency among industries and provinces.

The survey data revealed that there were no clear standards in maternity leave eligibility requirements with respect to 'length of service' as it varied from three to twelve months. In particular, a major concern was that many service industries and smaller firms had few formal policies. While it seemed as though firms with 50 or more female employees and unionized workplaces required a slightly longer length of service in order to qualify, they were usually larger firms that had more consistent, structured, and formal human resources policies and procedures. Nonetheless, there was significant variation between industries and even within industry groups, and particularly within smaller firms. There was also variation between office and non-office employees within the same firm.

Similar patterns were noted in the 'allowed duration' of maternity leave extended to female employees, which clustered between twelve and twenty-six weeks, with the larger proportion receiving between twelve and thirteen weeks. In some industry groups, such as hospitals, the more permanent employees were entitled to 14-25 weeks. In addition, a large number of employees covered by a collective agreement received 20-25 weeks of maternity leave [Department of Labour (1969) 1-4; Canada.RCSWC (1970) 85].

The maintenance or 'accumulation of seniority' during leave was somewhat less of a critical problem, as in more than half of the industry groups seniority was accumulated during maternity leave. However, the accumulation of seniority for only a portion of the maternity leave period was applicable to a mere 20 per cent of the

workers in the predominantly female industries, such as clothing, knitwear and personal services. More comprehensive benefits packages were extended to women who were covered under collective agreements, although in 1970 only 22.6 per cent of all union members were women [White (1993) 56].

Moreover, most employees were reinstated in their former positions upon return from maternity leave but this was less the case for office workers [Department of Labour (1969) 6-9]. However, later in the mid-1980s, the Canadian Advisory Council on the Status of Women reported that the legislation of most provinces did not provide for accrual of seniority and benefits during maternity leave. This meant that women were more apt to fall behind male colleagues and it implied that they would be the first to lose their jobs during downsizing lay-offs [Canada.CACSW (1984) 11].

The significance of the 1968 survey was that it also revealed that only a small minority of employers provided a 'wage loss replacement plan' during maternity leave. This was confirmed in a study on private wage loss replacement plans which had been submitted to the government by the actuaries, William M. Mercer Limited (1971). They reported that only 5 per cent of employees in their survey group received pregnancy benefits, and in most cases the maximum benefit was for a period of six weeks. The study also revealed that private plans were very costly to employers and, as a result, they received minimal priority even in union negotiating efforts [10-11]. The other problem was that many workers were employed by firms with fewer than ten employees and insurance companies were not prepared to make private plans available to small firms [Canada.House of Commons (April 20, 1971) 5082].¹⁴

While much debate ensued on the issue of whether maternity leave should be

¹⁴ The feasibility of employer-sponsored maternity benefits was revisited in 1985 by the Boyer Committee, who reported similar findings [Canada.Equality for All (1985) 12].

covered under a firm's sick leave policy, only a small proportion of workers could use sick credits towards maternity leave payments. In 1966, for example, 90 per cent of hospital workers were entitled to sick leave but only 8 per cent could use them towards childbirth. Policies were very similar in other industries. However, a slightly higher degree of income security was experienced by Quebec women where 10 per cent were able to use their sick credits and 15 per cent were covered under wage-loss insurance [Canada.RCSWC (1970) 85, Department of Labour (1969) 12-16].

The evidence overwhelmingly implied significant variation in women's treatment within the labour force. This further intensified the problem of inequality resulting from their reproductive work. The study also revealed that some firms discriminated by extending maternity leave only to married women [Department of Labour (1969) 18]. This meant that sole-supporting females would have been fired if they wished to take a leave, thereby forcing many unmarried women onto welfare assistance.

These gender-based barriers created by discretionary workplace rules mandated the state's role in countering the resulting inequities, and the 1970s were a decade of attempts to create some balance. The inconsistencies in private sector treatment of maternity leave and the lack of remuneration resulted in many women not being able to afford time off without pay. The Royal Commission on the Status of Women (1970) evoked the United Nations Declaration on the Elimination of Discrimination Against Women¹⁵ of 1967 which advocated "paid maternity leave with the guarantee of returning to former employment, and to provide the necessary social services, including child-care facilities." The ILO had also recommended income replacement of two-thirds of a woman's earnings [Canada.RCSWC. (1970) 85-86]. In

¹⁵ Canada had ratified the principles of its recommendations.

its recommendations even the William Mercer (1971) actuarial study was adamant that the total cost of the benefit be absorbed within the UI scheme [11].

Despite escalating tensions with employers' groups who were opposed to the provision of maternity benefits for the reason that pregnancy was deemed voluntary, the benefits also (along with sickness and retirement benefits) represented a departure from the principles that the claimant should be available for work in order to draw benefits. However, the Minister of Labour, Bryce Mackasey, stated the program's goals very clearly:

We do not pay sickness insurance; we do not pay pregnancy insurance; we do not pay retirement insurance. We simply recognize sickness and pregnancy as valid reasons for drawing unemployment insurance... (when) earnings are temporarily interrupted. [Canada. House of Commons (September 15, 1970) 10:14, (November 3, 1970) 8:8].

Of course a year later, Members of Parliament vehemently quarreled with concept of women's equality, and their lack of commitment and support was evident in the condescending dialogue of the debates. In 1971 one Member argued

...but how does this [maternity benefits] fit into an insurance scheme? Is maternity an accidental thing? It may be in some cases. Are you going to include maternity cases when a girl says her pregnancy was an accident? What about maternities that are planned? How do you justify putting them into an insurance scheme?... What about girls who are not in the labour force and who have accidents? [Canada. Commons Debates (April 20, 1971) 5109].

While most agreed there were positive externalities because of improved infant care and reduced health care costs, employers' groups and politicians argued that the benefits should be funded through other programs provided by the public sector and not sustained by the private sector. Maternity benefits were considered by dissenting groups as social payments, not insurance [Kesselman (1983) 75]. Conversely, women's groups argued that the benefits were linked to recipients' earnings as the result of an attachment to the labour force as well as the premiums that women had paid into the

fund. Other suggested options were to pay benefits at a flat or income-based rate irrespective of a woman's work history, or to include the benefits with the Family Allowance program. A further contentious issue for the business sector was that maternity benefits were to be 100 per cent financed by employers' and workers' premiums with no state contribution.

Nonetheless, in 1971, maternity benefits were introduced as part of the revamped social security program, which was also in the spirit of Canada's commitment to its ratification of ILO principles.

3.6.1 Women and access to UI: equity to working women in the 1970s

Although it is questionable whether the 1971 UI scheme was completely accessible to many part-year and part-time workers, women were great beneficiaries of the 1,160,000 additionally insured workers. This group was statistically dominated by traditional female jobs [Appendix 9]. The 1971 UI Act covered teachers and civil servants, in recognition of less stability in these jobs. The White Paper (1970) had noted that "teachers are discovering in some parts of the country that they are in surplus supply" [5]. It also reported that other excluded workers such as hospital employees, civil servants, members of armed forces, professional athletes and domestics who were previously thought to be 'immune' from the risks of unemployment, were now "finding themselves declared redundant" [5]. The Minister of Labour, Bryce Mackasey, reported in the House of Commons (1971) that "70 per cent of teachers are women, and they have absolutely no maternity coverage at all under their present collective agreements" [Canada.Commons (April 19,1971) 5039]. However, it was only later in 1973 that benefits were allowed for casual or substitute teachers and for those who had their contracts terminated at the end of each school year. These reported

experiences were nothing recent for domestic workers as they had always experienced intermittent employment patterns.

The provision of adequate unemployment insurance income maintenance was also cost effective. Later, in 1975, the government reported that by insuring all teachers the Ontario school boards would spend an additional 6.5 million in premiums (.5 per cent of their annual budget). However, the estimated annual savings in welfare benefits was \$22 million [Canada: Commons Debates (April 20, 1971) 5082].

New rules created more equity for part-timers who were also disproportionately women workers. Minimum entrance hours per week were set at 20 hours and 20 per cent of the weekly maximum insurable earnings; these were subsequently reduced to 15 hours per week and 20 per cent of the weekly maximum insurable earnings, after 1981¹⁶ [Lin (Summer, 1998) 43].

However, the plight of multiple jobholders (a subject that will be delved into later) was beginning to take form in the early 1970s. Many women were more likely to hold numbers of part-time or casual jobs, and the qualifying criteria prevented the summing up of earnings from multiple jobs in order to determine their insurable weekly earnings.

3.6.2 Maternity Benefits during the 1970s and 1980s

A major innovation in 1971 was the introduction of maternity benefits as part of the social security program, an extension that had been advocated by social policy writers Marsh and Cassidy in the early 1940s. Although the 1971 amendments to the UI Act were a profound attempt to deal with a significant form of gender discrimination,

¹⁶ In 1987 the rule was relaxed to 15 hours or 20 per cent of weekly maximum insurable earnings.

they would become another thorny issue in the array of violations of women's reproductive autonomy.

As described earlier, the government may have been pursuing ulterior financial aims; nonetheless, it was clear in its commitment to enhancing women's equality and ensuring that the Act apply to most workers with remunerated market work. Women were entering the labour force in significant numbers. One worker in six was a married woman [Canada.RCSWC (1970) 86].

In the late 1960s, the Royal Commission on the Status of Women (1970) undertook study of the maternity issue and it recommended an 18-week coverage for maternity benefits. This benefit (although only 15 weeks) was subsequently offered not only on the notion of income protection for a woman's period of physical recovery around the birth but also in recognition of the economic hardship of reproductive work.

However, as will be shown, maternity benefits were not about the politics of female autonomy. The Commissioners¹⁷ had expressed profound concerns that the government was not adopting a flexible approach with respect to the period around confinement in which a woman could draw benefits. Some left Members of Parliament, Messrs. Broadbent and Knowles, also favoured women using their own discretion as to the allocation of the 15 weeks of benefits; they should be the best judges of the length of the recovery period. The government was unduly creating hardships and program complexities. There was no flexibility for women who felt healthy enough to work until the confinement period and who may have preferred a 15-week adjustment period after the birth [Canada.Commons Debates (May11,1971) 20:16-20:24].

Moreover, the government imposed a long period of ineligibility for regular benefits around the confinement period (in the event that a woman became

¹⁷ Royal Commission on the Status of Women (1970).

unemployed prior to childbirth) [84-87]. In a display of the absurdity of male control over women's bodies, the UI Chief Commissioner DesRoches' rebuttal during the proceedings of the Standing Committee on Labour, Manpower and Immigration, justified why women should be disqualified from UI six weeks before confinement,¹⁸

It is just a plain fact of life that some women should not work after so many months, you know, because of their awkwardness or whatever you want to call it [Canada.House of Commons (May 5,1971) 20:17].

A further indication of where formal power resided: despite vehement opposition during the debates, the 1971 Bill C-229 provided 15 weeks of benefits within a period of 8 weeks prior to the expected birth week and ending 7 weeks after the birth occurred for those women who had accumulated 20 insurable weeks.

Despite opposition from women's groups, the 'Magic Ten Rule' would be used to ensure that a woman did not simply join the workforce after conception in order to qualify for maternity benefits [Verbruggen (1994) 9-10]. Indeed, this regulation immediately blocked access for many women. The government's aim was to ensure that 10 of the 20 qualifying insurable weeks were from a period between the 31st and 50th weeks before the expected date of birth [Dingledine (1981) 61-62]. This meant that a woman would have to be employed during the week of conception.¹⁹ Moreover, access was further blocked by the long 20-week qualifying period for maternity benefits, while the normal requirement for other UI beneficiaries was a minimum of 8 weeks.

The preoccupation with women's employment at the time of conception permeated most studies and government reports, including the House of Commons

¹⁸ This rule fell under Section 46 of the UI Act. It was subsequently revoked in 1984. Further discussion of this regulation will follow shortly.

¹⁹ For a comparative analysis of maternity benefits entrance qualifications from 1971 to 1996, the reader may refer to Appendix 41.

debates, in the early 1970s. The excessive and unwarranted suspicion of women evaded the issue of the economic benefits of government transfer payments which enhance their purchasing power. In fact, women tend to spend their incomes mostly on children or household necessities. This implies that transfers or child allowances would have the unique effect of contributing to the well-being and equality of children. A change in gender income allocation through redistributive policy variables gradually alters the organization of all market activities for goods and services which generate national income. Pregnant women, whether manipulative and fraudulent or not, generate market activity and GNP growth, along with economic stabilization, and usually within their local communities.

However, in a 1978 policy-enhancing measure, the government implemented regulations related to SUB²⁰ payment plans which entailed the topping-up of maternity UI benefits with employer funding. This was successfully negotiated in many union contracts providing maternity benefits of often up to 95 per cent wage replacement for many women. Moreover, during the two-week waiting period, employers could pay funds out of the SUB plan, and they would not be disqualified. These payments were previously counted as earnings. By the mid-1980s, virtually all women employed in federal service for at least six months were entitled to receive SUB payments, topping up their salaries to 93 per cent for a period of 17 weeks [Status of Women (1989) 29].

Of course, very few Canadian women received a salary top-up from their employer plans. Less than a decade later, the Forget Commission pointed out that, as of 1986, it was mostly public sector employees that were offered generous maternity benefits which had been bargained into their collective agreements. Canada Post also provided a generous plan to its employees. However, most small businesses (who

²⁰ Supplemental Unemployed Benefits.

employ huge numbers of Canadian women) were not prepared to absorb the costs of these employee benefits [Forget Commission (1986) 475].

While there were some minor changes throughout the 1970s related to entitlements around the expected confinement period, there were mounting problems with inflexible rules. First, consultation with the Advisory Council on the Status of Women resulted in the 1975 Bill C-16 amendments, which created more flexibility in the period in which women could draw their 15 weeks of benefits (8 weeks before confinement and up to 17 weeks after birth). The reasons that had been argued during the early-1970s debates, were that many women felt healthy enough to reserve the bulk of their maternity leave for the period following childbirth. The new rules would essentially remove the penalty for those who did not take an early leave [Canada, Commons Debates (May 29, 1975) 6241]. However, since the 1970s, women's groups have also regularly advocated for the removal of the two-week waiting period for maternity and parental benefits, with no success to date²¹.

This finally led to major amendments in the 1984 Bill C-156, which were the outcome of the report 'Unemployment Insurance in the 1980s'. It involved the feedback of women's organizations and comments from the Human Rights Commission (from its 1979 Annual Report)²². This resulted in two major amendments to the UI maternity provisions. First, the 'Magic Ten' rule was repealed, in recognition of its irrelevance and the suspicion it implied with respect to women's attachments to the labour force. The availability of benefits to adoptive parents also undermined the validity of this regulation, since the period of conception was not an issue in their access to maternity

²¹ The 1986 Forget Commission had recommended elimination of the two-week waiting period for maternity and parental benefits, which would effectively pay 17 weeks of benefits to the natural mother [511].

²² Source: Canada Commons Debates (June 2, 1983) 25959

benefits. The report pointed out that 77 per cent of claimants had over 40 insurable weeks, and only 4 per cent had between 20 and 25 weeks; therefore repeal of this regulation was also economically justifiable, as it was not expected to be costly [68].

Second, as of 1971 those women who did not qualify for maternity benefits were disentitled from receiving any other benefits (for example, regular or sickness benefits) for a period of 8 weeks before the expected birth and 6 weeks after the childbirth week (subject to Section 46 of the UI Act), because they were perceived as being incapacitated around confinement and, therefore, unavailable for work [Canada:Employment & Immigration (1981) 67]. It was estimated that revocation of this section would cost the UI fund \$50 million, to the benefit of approximately 20,000 Canadian women [Canada, Commons Debates (June 2,1983) 25959].

However, it should be noted that the Magic Ten Rule would probably have been struck down by Section 15 of the new Charter of Rights and Freedoms, which would take effect in April 1985. There were two cases (Bliss and Stuart) brought forth to the Federal Court of Appeal that, in all probability, would have been successful at striking down both Section 46 and the Magic Ten Rule, had the Charter been in effect. With Section 46, the reality was that most pregnant women were capable of working almost until childbirth, and they should have had access to regular or sickness extended benefits entitlements. The government knew very well that the issue had opened up more complex constitutional questions and it was just a matter of time before these inequities would be repealed. Consequentially, only one day was allocated towards the Commons Debates on the passing of these critical UI issues. It was treated as a 'fait accompli' [Canada.Commons Debates (June 2, 1983) 25967].

Moreover, the notion of physical recovery around childbirth was extended to acknowledge the importance of psychological bonding with the child. As reported by

the Task Force on Unemployment Insurance (1981), very shortly after the rule changes of the 1975 Bill C-16 most women favoured using their 17 weeks mostly for post-natal care. The government reported that there had been a 'philosophical shift' away from women's true physical incapacity to the payment of maternity benefits on the basis of child care [70]. However, despite health implications, most women would try to work as close as possible to childbirth so that they could spend more time with their babies during the post-natal period. The reality was that the 1971 UI regulations did not properly address women's needs and the compensation period of 15 weeks was not long enough. The regulations had been developed, debated in the Commons, and subsequently governed by dominant male valuations and subjective notions of women's health issues.

As previously noted, the pressure from adoptive parents' groups resulted in the extension of 15 weeks of benefits to either adoptive parent, in the form of parental benefits. As will be discussed shortly, the 15-week period was later reduced to 10 weeks (in 1989) because of constitutional challenges that would ensue, in particular the 1988 Schachter case. Moreover, further amendments offered more flexibility for premature births and coordination with 'regular' benefits [Verbruggen (1994) 18-23]. However, in 1984 the entrance requirement was still 20 weeks. Benefits for a period of 15 weeks were also still offered to the natural mother or either adoptive parent.²³

Despite restrictive trends in other areas of the UI scheme, the 1980s continued to bring much positive attention to the issue of maternity and parental benefits. On the recommendations of countless studies, reports, and public hearings, including the 1985 Boyer Committee report entitled 'Equality for All', the 1986 Forget Commission, and the

²³ 15 weeks of benefits to adoptive parents were subsequently eliminated and replaced with 10 weeks of parental compensation in 1989.

1986 Task Force on Child Care, as well as the 1987 report entitled 'Sharing the Responsibility' (Special Committee on Child Care), the 1989 Bill C-21²⁴ finally offered a two-tier system of benefits, with 15 weeks to the natural mother, and including an additional 10 weeks of parental benefits to one of the natural or adoptive parents, with either parent being an eligible claimant.²⁵

Constitutional challenges such as the 1988 Schachter²⁶ case had mobilized a new philosophical shift to recognizing the father's role in childrearing. These ideas had also permeated the dialogue in the recommendations of many of the reports and studies. The existing 15 weeks of maternity benefits would continue to be provided to natural mothers only, in recognition of the physiological needs of childbearing [Verbruggen (1994) 8-17]. The government was very cautious to maintain this notion, because they would be open to constitutional challenges by adoptive parents or fathers if maternity benefits were associated with child care (a social adjustment) as opposed to the physical aspects of reproductive work [Boyer (1985) 11].

As a further justification the Minister of Employment and Immigration, Mr. Bouchard reported in 1988:

If the mother is entitled to receive benefits, she could not be replaced by the father. We restricted the application to mothers, because that was firmly requested by women's groups who said that if we gave those benefits to fathers, we could face abuses by men who could forcibly insist that women continue to work so that fathers could receive the benefits [Canada, Senate Debates (March 29, 1988) 2963].

His statement was a reflection of growing recognition of non-altruistic family institutions, and that women's allocational outcomes were often influenced by gendered

²⁴ Bill C-21 was implemented in 1990

²⁵ Additional weeks were extended for special needs adoption placements.

²⁶ The Federal Court of Canada ruled that the UI Act discriminated against natural fathers because it denied them the benefits that had been available to adoptive parents (of either sex).

power relations. The women's movement had clearly made some gains in consciousness-raising within the policy-making arena.

Interestingly, the amendments of the 1980s also reflected a visible commitment to families and women, at a time when the UI scheme was generally imposing eligibility and benefits restrictions, as well as philosophically shifting to a cost-cutting perspective²⁷. In a pro-active response to the realities of families and their labour market issues, an injection of an estimated \$340 million was allocated into additional parenting benefits during a period when UI benefits were exceeding \$1 billion per month (1983) [Verbruggen (1994) 8-17].

The socio-economic reality of the 1970s and 1980s was that women had gained social power and education. Female university enrollment had grown from 37 per cent of the total in 1970-71 to 54 per cent in 1987-88. The gender earnings ratio rose from 55 per cent in 1971 to 70 per cent in 1987, and was steadily increasing. Women's labour force participation, as a proportion of the total labour force (due to a significant influx of married women with young children) had also increased: from 33 per cent in 1971 to 44 per cent in 1988. Almost one-half of women (45 per cent) with children under age three, participated in the labour force in 1981²⁸. Most (75 per cent) worked at full-time jobs. Moreover, visible minority women's participation grew to 64.5 per cent in 1988 compared with 55.9 per cent for all women [Statistics Canada:Women (1990) viii-x]. These supply-side labour market changes appeared to be permanent. These demographics will be the subject of the next chapter.

However, as the Forget Commission (1986) noted, "Canada lags behind European industrial nations in the provision of maternity and parental benefits" [475].

²⁷ \$1.29 billion in reduced benefit levels, increased disentanglements, and entrance requirements

²⁸ This had been 32 per cent in 1976 and it increased to 52 per cent by 1984 [Task Force on Child Care (1986) 326].

While the emphasis on maternity benefits may have been consistent with the values of contemporary Canadian society, there was pressure on the government to match the progress of other industrialized nations. In this way the government was shamed into compliance with the recommendations from numerous studies and reports. As of 1988, Canada ranked 22 out of 23 in the industrialized nations' provisions of maternity and parental benefits to families [Canada, Commons Debates (March 23, 1988) 14064].

3.7 The contraction of the unemployment insurance scheme - the gendered effects

The gender discourse of the mid-70s era was focused on women's choices and debunking 'role stereotyping'; yet, traditions, customs and attitudes would continue to thwart the full socio-economic integration of women. In a patriarchal and patronizing second reading of the 1975 Bill C-17, Senator Azellus Derus contended

It is also a privilege to please more than 50 per cent of the Canadian people. those charming ladies who for so long have been deserving and asking for equal rights and obligations. The amendments proposed in Bill C-16²⁹ go a step further in that direction. By introducing this legislation. The government makes a positive contribution to International Women's Year and once more demonstrates its will to improve the status of the fair sex' and 'May I add that the Senate has done justice to the status of women in its organization. In the present membership of the Senate there are six charming and intelligent lady senators. Out of a total of 91.[Canada, Senate Debates (June 25, 1975) 1103-4].

The Senator ever so proudly boasted that the 'innovative' Senate had "done justice to women", pointing out that the Office of the Leader of the Government had "graced two ladies as special assistants" and that the senate had assigned a whole lot of other senior clerical and secretarial supervisor positions to women [Canada, Senate Debates

²⁹ Bill C-16 was the Statute Law (Status of Women) Amendment Act., which amended the maternity provisions of the UI Act in order to create more flexibility in drawing benefits, ie: 8 weeks before confinement and 17 weeks after.

(June 25, 1975) 1103-4]. The Senator seemed to think that the government had made 'earth-shattering' contributions to women's employment equality and, in the context of that era, perhaps they had. Still, in 1962 the average full-time female/male wage ratio was at 52.5 percent; this had only improved slightly to 55.8 percent, by 1971. Canada lagged behind on the international front: the same ratio in Sweden was at 80 per cent with over 60 per cent of women participating in the labour force [Canada, Commons Debates (May 29, 1975) 6239].

The changes, beginning with the 1975 Bill C-69, were symptomatic of many cost-reducing measures within the UI program. They began with increasing the disqualification period, eliminating dependents benefits, and in particular, the elimination of the crucial three-week advance payment program. Women were also affected through the 20-week re-entrants regulations and the reduction of benefits level to 60 per cent in 1979.

During the late 1970s women's groups had expressed concerns about the discriminatory nature of minimum insurability of 20 hours per week, since part-timers tended to be women. As early as 1980, the Minister of Employment and Immigration, Lloyd Axworthy, had introduced an amendment to reduce the 20-hour minimum to 15 hours, or 20 percent of the maximum insurable earnings. This was in recognition of the social disadvantage that was imposed on women, as a result of their preponderance in part-time work.

However, in 1994, even with this reduction in minimum hours, only 70-80 per cent of part-time workers were covered [Human Resources Development (1994) 74]. In the 1980s, the Commission of Inquiry into Part-time Work (1986) had reported that, in 1984, 44.2 per cent (747,000 out of 1,689,000 part-timers in the Canadian workforce) were excluded from UI coverage, for the sole reason that they worked less

than 15 hours per week. Considering the relative importance of part-time work as the biggest contributor to employment growth in the economy, the Commission suggested that the UI program should accommodate these workers. This report established the very early discourse of the 'pooled hours-based system', as it argued that there had been significant inequities directed at multiple-job holders [Forget Commission Report (1986) 476]. This discourse of the government in addressing gender inequities would spawn the basis for subsequent policy reforms of the 1990s.

3.8 Concluding Observations

This chapter has examined the UI scheme's early treatment of women which reflected its stated objective of integrating the issues of income security for the benefit of the male-headed family unit and its broader macroeconomic stabilization goals. In the three decades that followed the implementation of the 1940 UI Act, what was deemed economically necessary was the program's expansion to cover higher-risk male employment circumstances and to counter regional disparities.

It has been demonstrated that the 1940 UI scheme mostly provided for women through benefits offered to their male relatives. This was a reflection of the socio-cultural climate of the era as well as labour market conditions that engendered women's dependency. The fact that institutional biases maximized benefits on behalf of males more directly addressed the needs of industry and geographic regions. Women were perceived as a 'drain' on the insurance fund.

Although the history of the UI scheme has revealed overtly biased legislation underlying a woman's accessibility to the unemployment insurance program, maternity leave and benefits entitlements were one of the first offerings of equal opportunities to women. However, a review of the Gill Commission Report, as well as an examination of

the early 1970s House of Commons discussions, has demonstrated that the maternity benefits program was preceded by a painstaking process of moral judgments about women's entitlements and UI abuse. The discussion of the Cousineau Report also revealed the growing importance of women's service in part-time and part-year work, a subject to be explored in the following chapters.

Nonetheless, the 1971 UI Act was an acknowledgment by the government that any further exclusion of women was indefensible, as economic necessity had become the spur to much of their labour force participation. Of course, there would continue to be an excluded portion of the part-time and part-year married female labour force for whom access to benefits would continue to be problematic. The 1970s and 1980s were a period of significant adjustments to the maternity benefits regulations which were prompted by inflexible rules, such as the Magic Ten Rule and Section 46 of the Act. This was a reflection of a male administration and limited input of women's voices into the early development of the maternity benefits program. In the late 1980s there were also constitutional challenges which shifted attention to the father's parenting role. These issues, combined with international trends in family policy, subsequently resulted in a two-tier maternity/parenting benefits program.

Chapter 4: The Changing Labour Market Since 1980: Women's Participation

Rates, Family Structure, Non-standard Work and Youth Unemployment

4.1 Changing family structure: the prominence of dual-earner economic units.

Women's contributions to family income have become increasingly substantial in recent years, causing a reversal of post-war gendered relationships as they have become an integral part of the labour market. As described earlier, their changing social location was recognized in the late 1950s by the revocation of the married women's regulations despite vehement opposition from business and actuarial groups that followed well into the 1960s. Later the promotion of equal rights and opportunities for some women was affirmed through the extension of maternity (1971) and parenting benefits (1990) as well as Child Tax Credit programs. The gendered dimensions of these policies recognized women's firm labour force attachments and that reproductive work should not limit their ability to compete in the labour market. This type of proactive family policy allowed women to respond flexibly to changing domestic responsibilities.

In 1981, the average married woman's contribution to household income³⁰ was at 32.8 per cent of the male wage (increasing to 34.7 per cent by 1987). However, in 10.8 per cent of families the female partner earned more than her male spouse³¹ [Statistics Canada (1987) 102-3]. By 1995, in households where the husband earned more than his wife, women's incomes had grown to 40.8 per cent of male earnings. In addition, 60.5 per cent of husband-wife families were dual-earning, as opposed to just over 30 per cent in 1967, reflecting women's much expanded labour contributions. In 5 per cent of families (as opposed to 1 per cent in 1967) the wife was the sole earner.

³⁰ This was applicable to married couples with children, whereby the female spouse earned less than the male spouse (56.6 per cent of families); another 26 per cent of families had earnings of a male spouse only. For other married couples, women earned on average 44-45 per cent of male wages in both 1981 and 1987 [Statistics Canada (1987) 102-103].

Moreover, since 1967 the number of wives with higher earnings than their husbands had increased almost sevenfold [Statistics Canada: Dual-Earners (1996) 7,11,27].

The increasing significance of women's earnings is noted by the fact that in 1967 single-earner families (husband as the sole earner) averaged 84.1 per cent of dual-earner family income (husband as the higher income-earner). The income gap to a male-headed sole-earner family was thus only 16 per cent of the average male wage. By 1995, the single-earner family averaged 72.3 per cent of the dual-earner family's income. Even though, on the average, women's wages are substantially lower than their husbands', there is a strong indication of the growing relative importance of their contributions to the economic security of families. Since 1954, the greatest financial gains have been incurred by families in which wives participate in the labour force [Statistics Canada (1984) 12]. In the absence of wives' earnings, the 1995 incidence of low-income families would have been 17.8 per cent as opposed to 4.8 per cent (1989 figures were 14 and 3.7 per cent) [Statistics Canada: Dual-Earners (1996) 9,21].

As suggested earlier, in the contemporary era, most women are no longer dependents or secondary wage-earners who supplement the family income in order to have a higher standard of living. A solid core of female workers have developed strong attachments to the labour market, even though the majority of women do not earn a wage that is sufficient for them to live comfortably outside coupled arrangements, particularly if they have children. They also face the impact of high-tech unemployment, particularly in the areas where they are highly concentrated, such as clerical, sales and service occupations. During the recession of the early 1980s, specifically in April 1983, 609,000 Canadian women were unemployed, as opposed to

³¹ This trend grew sevenfold from 1967 to 1995 [Statistics Canada: Dual-Earner Families (1996) 10].

490,000 the previous year, an increase of 29 per cent [Canada, Commons Debates (June 2, 1983) 25962, 25965].

A shortcoming of the UI program has always been with regressive policy directed at a self-perpetuating, reserve army of second-tier workers, many of whom are married women. What prevails is the idea that waged work is a temporary interlude for some married women. However, the engineering of recent policy has exacerbated the problem, as it smacks of subtleties in re-directing a portion of this reserve army back into the home.

It is necessary first to depict the treatment of lone-parent women who have received some relief from the oppressive forces of patriarchy. While lone-parent women's incomes are supplemented by growing transfer payments from a benevolent paternalistic state, married women's earnings must continue to be subsidized by the incomes of male family members.

4.2 Changing family structure: lone parenthood

The incidence of lone parenthood is an entrenched phenomenon in the Canadian social structure which has contributed to vulnerabilities in the risks of deteriorating gender equality. From 1970 to 1995, female-headed lone-parent families increased by 155 per cent [Perspectives (1999) 5]. Earlier in the century, the causes of lone-parenthood were related to war, whereas today it is the result of marriage breakdown (in approximately 80 per cent of lone-parent families). The number of divorces had tripled from 1970 to 1987, leaving 57 per cent of these families in low-income circumstances [Statistics Canada (1990) vii-viii]. In 1966, 8 per cent of families were headed by a lone-parent, whereas by 1991 this had increased to 13 per cent. Lone mothers form the larger part of this group and they tend to be younger, less-

educated, and have a high incidence of low income³², particularly if their major source of income is social benefits [CST (1994) 189-92]. They are also more dependent on social programs as an important source of income.

In 1992 the Economic Council of Canada estimated that during the first three years following marriage breakdown a woman's income declined by 27 per cent, as opposed to 7 per cent for males [NAWL (1994) 8]. Divorce or marriage also strongly influences a child's probability of entry into or exit from low-income family circumstances. An American study revealed a 31 per cent immediate poverty entrance rate for people living in a female-headed family which was experiencing marital break-up.³³ Labour market events such as unemployment will highly influence low-income entry. While family break-up has a lower occurrence rate, when it does occur it tends to have a much higher impact than unemployment on the incidence of low family income. This is mostly due to the prevalence of female-headed families which accompany separation and divorce [Picot,Zyblock,Pyper (1999) 1-2,20].

Several advantages had been offered to Canadians from 1951 to 1981, as social benefits steadily increased from 29 to 57 per cent of the sources of incomes for the lowest income groups in Canada, many of whom were female-headed families [Statistics Canada (1984) 18]. This was a major contributor to the maintenance of redistributive equity in the country, as well as the substantially reduced risk of low-income families. By itself, the Child Tax Credit had a formidable impact, boosting family incomes (for low-income families) by approximately 10 per cent [Picot and Myles (1995) 12]. One study has concluded that although earnings have declined in younger families during the past two decades, it has not been reflected in the rate of children

³² 57.2 per cent for single mothers; over 80 per cent for single mothers with children under 7 years [Day and Brodsky (1998) 6].

³³ The rate was 26 per cent for those female-headed families experiencing unemployment.

living in low-income families. This is attributed to social transfers (the Child Tax Benefit) which have replaced the lower family earnings. For those families with children under 6 years (and with earnings that were less than 50 per cent of the median income), their disposable income from government transfers increased from 36 per cent in 1973 to 63 per cent in 1991 [Appendix 10]. Appendix 11 also demonstrates an inverse trend for transfers and labour market earnings³⁴. Interestingly, UI has made a significant contribution to boosting these families' incomes during the period 1973 - 1991, as also shown in Appendix 10 [Picot and Myles (1995) 10-12]. The relevance for women is that they have a high probability of being the heads of these types of economic units. An expanding transfer system serves to reduce the poverty gap.

In a study of family income inequality during the period 1970-1995, it was estimated that the growth of lone-mother families was the biggest contributor to rising inequality in the Canadian economy. Yet government transfer payments and tax credits had significantly narrowed the gap of the inequality of income distribution for these families [Rashid (1998) 12-16], which establishes the state's substantial importance as an equitable redistributive mechanism. Nevertheless, their proportional representation in the lower deciles rose from 23.9 to 39.7 per cent, during this period [Perspectives (1999) 5]. Therefore, the 'depth of poverty' remains a crucial issue.

The good news is that women have acquired more education which is the most significant variable determining the likelihood of entrance into low-income circumstances. When the female family head has a post-secondary education the chances of escaping low-income rises to 36.8 per cent [Picot, Zybblock, Pyper (1999) 17].

The historical events described earlier provided the context for state support

³⁴ Labour market earnings fell from \$3400 in 1973 to \$2600 in 1991, while transfers increased from \$1900 to \$4600 in these same families.

that has been given to the issues of lone-parent females. It suggested that demographic changes in the post-1950s period, forced the Canadian government into creating a legislative environment of transfer payment policies which pulled out of poverty, older women, female-headed lone-parent families, as well as low-income, working-class families. This was made clear in its stated objectives, in the progressive poverty-eradicating era of the early 1970s.

For lone-parent females, cultural belief systems had not changed, but alleviating their plight made good financial sense. The fact that these women or families were ever recipients of transfer payments at all evolved from the reality of demand-side economic factors in the form of inadequate wages and labour market segregation. These factors necessitated government subsidization as an indirect form of transfer payment to Canadian industries.

The government also understood very well that women have little chance at reabsorption into productive activities when they lose their marketable skills while on social assistance. This implies long-term and expensive dependency. There is also no evidence to support theories of work disincentives associated with supplementary social transfers. Progressive policy measures have been working to maintain potential or current female welfare recipients in strong labour force attachments and away from social assistance.

Appendix 12 illustrates that female-lone parents have stronger labour force attachments as their children age. Moreover, part-time work is replaced by full-time arrangements very rapidly. Presumably, when their children are older, lone-mothers' labour market patterns mirror that of single women. Undoubtedly, the presence of pre-

school children, a discriminating labour market,³⁵ and low earnings are the major factors which impede their full-time participation. However, by the time the children are school-aged, the mothers' participation rates match those of other women (over age 25), and they have a high probability of joining the low-risk, full-time, first-tier female workforce in terms of EI premium contributions and access to entitlements.

This is recognized by policymakers and, for these reasons, stiffened policy instruments have not been directed at severing labour market attachments of this particular demographic group as there is no economic justification for these types of measures. On the contrary, powerful incentives have been directed at facilitating their workforce attachments, whether or not they measure up to the full-time full-year ideal.

This philosophy is at the foundation of the new employment benefits, Targeted Earnings Supplements, which are directed at female welfare recipients. As emphasized by the government, one objective was "helping people to move from dependency to work". Approximately 35 per cent of lone-parents who are offered 'Targeted Earnings Supplement' (which averages a hefty additional \$800 per month) get off welfare within a year [HRDC (January 23, 1996) 7,2].

In terms of EI policy, lone-parent females are as equally disadvantaged as their married sisters, particularly as part-time workers, when their children are young. In this sense, gender-based distinctions are not obscured within the program due to their traditional reproductive work and there is an undeniable feminized link to second-track benefits. Of course, for these women the state plays the role of the 'husband' in covering any hardships of EI program inaccessibility. However, it has a vested interest

³⁵ Their excessively high unemployment rates may provide evidence of a discriminating labour market. However, another contributing factor may be that many female lone-parents are young and lack marketable skills, education, or training.

in moving them into first-track status, hence the investment in providing 'employment benefits'.

As a final note: statistics were also in the government's favour as many of these women would be more attractive marriage candidates whom could eventually be subsidized by new male partners³⁶. Indeed, when female lone-parents remarry, 99 per cent escape low-income circumstances [Picot,Zyblock,Pyper (1999) 17].

Therefore, what follows redistributive justice directed at lone-parent females is increased economic efficiency and social stability. Contemporary realities are also such that the low costs of maintaining their employment attachments will offset the only other expensive alternative which is social assistance. Lone-parent women might bear the shorter-term costs, but the much longer-term social drain on the entire community will also foster a net economic drain in terms of spin-off effects. The fact is that in today's socio-economic environment, it is a beneficial goal for everyone, not just poor women, to solidify their labour market attachments as there are social costs to poverty and social benefits in transfer programs.

4.3 Non-standard work: self-employment

In another aspect of changing labour market dynamics, a growing number of women have become self-employed contract workers and service providers, thus also ineligible for insurance coverage. Legislators have failed to make provisions that take into account this type of work arrangement that creates difficulties for many workers. The rules assume that workers have choices about their employment status, with little attention paid to an economic climate that creates the conditions for severe employability problems, structural and involuntary underemployment.

³⁶ For one thing, labour market attachments create opportunities for women to meet potential marriage candidates.

Recent changes in the nature of self-employment becomes evident when reviewing the pertinent discourse of the Cousineau Report (1969):

It would be a mistake, in our opinion, to try to protect the self-employed through unemployment insurance. A man who is self-employed cannot, by definition, be involuntarily unemployed except if he loses his business [6].

First, self-employment was frequently associated not only with male workers such as skilled trades people or professionals but also the capitalist class. The extension of UI benefits to this group did not seem valid, since there is 'moral hazard'³⁷ in compensating these claimants. Thus the income security system limiting coverage to the 'self-employed' was more of a reflection of the nature of self-employment during this period. Today, there is a much different definition, because the self-employed have not only firm labour market attachments but also some form of employer-employee relationships; the nature of the demand side of the economy is such that industries need the flexibility of these 'dependent contractors'.

Many self-employment contracts are formed for the benefit of employers who require from a segment of their labour force flexibility and a degree of detachment. Nonetheless, it is often quite possible to determine when the contract begins and ends, along with the level of earnings; thus, a contributory system would be very feasible. Yet it is clearly not on the EI policy agenda. One study pointed out that these workers are simply "disentitled wage labourers rather than independent contractors" [Osberg and Phipps and Erksoy (1995) 7].

Researchers have examined the differences in 1980s and 1990s growth trends in self-employment. During the 1980s, the growth of the self-employed sector

³⁷ As defined by Gunderson and Meltz (1987), if the self-employed are insured, this would lower their costs of unemployment. Therefore, they may take inappropriate risks which influence the self-induced aspects of unemployment. However, the authors also argue that this dilemma may be resolved with an experience-rating system [169].

continued to be largely entrepreneurial. The self-employed were also more likely to employ other workers in their businesses. This has also been linked as a contributing factor to the strong employment growth in the Canadian economy during the late 1980s. This has not been the 1990s experience as 90 per cent of the newly self-employed work on their own [Lin and Yates and Picot (1999) 3].

Overall, the rise of self-employment has been a major contributor to employment growth in recent decades. In 1997, 16.2 per cent of the labour force was self-employed compared with 11.5 per cent in the late 1970s [Lin, Yates, Picot (1999) 1]. This type of work arrangement contributed to 75 per cent of new job creation in Canada [Appendix 13]. Between 1975 and 1986, female self-employment grew by 118 per cent, as opposed to 39 per cent for men [Statistics Canada:Housing (1990) viii], although it should be noted that women represent only one-third of the self-employed. They are also highly concentrated in personal and household service provision or in sales. Self-employed men are concentrated in agriculture, construction, fishing and trapping, as well as business and professional services. Technological advances in the service economy have also played a crucial role, as computers have influenced some home-based work arrangements.

During the 1980s, while employment grew by 14 per cent, self-employment grew at twice that rate (29 per cent) [Pold (1991) 46], over half (53 per cent) of these people operating home-based businesses [Perspectives: Work Arrangements (1997) 50].

With the exception of fishers the employment insurance program has never offered coverage to these workers because of perceived violations of insurance principles [HRDC (1994) 77-78]. It also undoubtedly reflects cost considerations. This is attributed to the annual turnover flows into and out of this type of work arrangement which are significant, as they average 500,000 self-employed workers per year (42 per

cent of the self-employed population). The motivation for entry into self-employment is not positively cyclically correlated. In other words, entry is not 'recession push'. Yet exits from self-employment have shown counter-cyclical variations, implying that paid employment is the preferred work arrangement for many Canadians. When full-time paid employment increases by 1 per cent, this is correlated with a .985 per cent rise in the self-employment exit rate. This relationship is weaker for women (.69 per cent), which may signify barriers of entry into paid work. Nonetheless, on average, the self-employed move into paid employment in large numbers during healthy economic growth [Lin,Picot,Yates (1999) 3-4,10-12]. For self-employed men, their substantial rates of exit may be a reflection of their high average hours (27.7 per cent higher than in paid employment) in self-employment, for 15.6 per cent less pay on average [shown in Appendix 14.

Of course for women, the issue of self-employment takes on a gender-specific meaning. While a growing number of women have started up small home-based businesses³⁸ in recent years, the more prevalent form of self-employed female work is in limited-term contract work for the provision of services to industry, government and the not-for-profit sector, where they are offered no employer-funded benefits³⁹ and no income security in the event of unemployment. Many of these contract workers are also multiple-job holders. Female workers in non-permanent jobs have a high probability of being young and single, and their average earnings are 55 per cent lower than those workers with permanent jobs [Perspectives (1997) 3].

As discussed earlier, in the 1940s this type of self-employed arrangement was the predominant form of female employment in domestic and private nursing services

³⁸ Few women have incorporated businesses with paid employees [Pold (1991) 46]

³⁹ vacation pay, pension, group insurance, overtime pay, and collective agreement protection

(60 per cent of the nursing workforce). The 1929 Weir Survey of Nursing Education in Canada showed that private nursing employment fluctuated with the business cycle, leaving these workers extremely vulnerable during temporary work stoppages [Coburn (1974) 145]. In the modern era, not only do these workers have few opportunities for advancement or accumulation of seniority, but they are also placed in vulnerable economic positions, unprotected from the forces of recession. Their employment is also not covered by family policies, such as maternity leave. HRDC (1998) has argued that the unemployment rate is very low among the self-employed [(October,1998) 5]. However this may not be entirely accurate as few self-employed contract workers would have incentives to report themselves as unemployed given that they have no access to income security. Many are also discouraged workers who intermittently exit the labour force.

The 1994 SLID survey revealed that self-employed earnings tend to be polarized at the high and low ends of the earnings distribution. The gender wage gap is also very similar to the paid employment workforce (66 per cent). Appendix 14 provides evidence that self-employed women have lower average earnings, with median earnings at half the rate of employed women. Most self-employed women (71.9 per cent) earn under \$20,000 per year compared with 47.9 per cent of paid female employees. They also work 15 per cent more hours on average, with 25 per cent having worked in excess of 2,500 hours per year, compared with only 2.7 per cent of women in paid employment [Lin and Picot and Yates (1999) 7].

The emergence of these contingent employment relationships also signifies much larger changes in a market-driven economy that has experienced post-industrial structural adjustments through the growth of the services sector. Industry and government, strategizing around employment flexibility and the need for cheap sources

of labour, have increased part-time, contract (self-employment) and casual work, which has been reflected in the nature of female economic activity. However, these labour market changes are also at risk of influencing society's demands on the government policy apparatus because of the short tenure of these types of jobs.

One micro-simulation study determined that UI coverage for these workers (and those with short-hours of less than 15 weekly hours) would be advantageous at increasing the income security of those in lower income deciles, particularly young workers. Nearly half of the new beneficiaries are in the second and third income deciles. The researchers also concluded that women would be the biggest gainers of such policy because of their high preponderance in part-time and self-employment work patterns. Manitoba workers would also be disproportionate beneficiaries of such policy measures, ranking second highest of all provinces in terms of those 'newly-covered' as a percentage of the labour force [Osberg, Phipps, Erksoy (1995) 28-37].

The ongoing development of the UI program recognized the high social costs of labour market adjustments. The growth of self-employment is a more recent example of this type of adjustment. Access to the program would preserve the dignity of individuals by warding off the humiliating effects of having to resort to welfare relief and other forms of charity or dependence. By the early 1970s the program had developed to provide an adequate income stream during job search or retraining, as a part of the objective of maintaining equality of opportunity and redistributive equity. However, more recently policymakers' response to the dilemmas created by this type of work arrangement was reflected in perpetuating it. This was accomplished through self-employment assistance, which are start-up funds for new private sector businesses, including additional financing to hire workers.

What will follow shortly is evidence from the 1994 Survey of Labour and Income Dynamics as well as from Human Resources Development Canada studies, which indicate that policy may have fallen short of these objectives in not taking into account changes in family and emerging labour market structures.

4.4 Non-standard work: Gendered Part-time Work Patterns - Evidence from the 1994 Survey of Labour and Income Dynamics

In recent decades adult women have been great beneficiaries of part-time employment growth in service jobs. However, a combination of several forces have undermined the quality of their work experiences and economic security. First, demand-side factors in the economy, including a thriving service sector⁴⁰, have given rise to an involuntary group of part-time workers. Between 1980 and 1987, women had accounted for 73 per cent of employment growth in Canada. However, they also represented 72 per cent of the country's part-time workers [Status of Women (1989) 13,19]. By 1993, 60 per cent of newly-created jobs in Canada were thirty or less hours per week. Part-time jobs, many of which were involuntary, also tended to rise during recessions. Part-time work has a gendered impact on the demand for labour. For employers, it was always financially lucrative as it exempted them from responsibility for UI premiums paid on behalf of many of these workers until 1997. By 1994, the UI program covered most full-time workers and only 75 per cent of part-timers [HRDC (1994) 73,93].

The modern labour market dilemma has somewhat shifted from seasonality to part-time/casual and contract work. Although the magnitude of seasonal work remains

⁴⁰ 84 per cent of female workers were located in the service sector in 1988 (Statistics Canada.1990.p.viii)

relatively high in some provinces, such as Newfoundland and New Brunswick, it has been reduced⁴¹ because of an employment decline in certain weakened industries such as agriculture, fishing and trapping, logging and forestry, as well as construction. In 1997 only 2.9 per cent of all workers were employed in seasonal jobs. This is a significant decline from 35 per cent of the workforce in the late 1930s when the UI scheme was designed. Moreover, in traditional seasonal service industries there has been a trend toward full-year part-time work, which has been facilitated by the fact that many of these industries do not rely on weather conditions as with the primary industries [Marshall (1999) 16-22]. As was shown earlier in Appendix 7, a very common work arrangement in the 1960s was full-time part-year work. The 1971 UI program changes were enacted to accommodate these work patterns so that certain groups (including women) would maintain strong labour force attachments. However, since 1980 part-year employment has shifted to part-time for the full year⁴², with all of the hours being reallocated from the full-time workforce. This has been another flexibility strategy on the part of employers who aim to avoid hiring and training costs during busy seasonal periods by increasing the hours of their current employees [Marshall (1999) 19].

Another crucial point should be emphasized that labour market deterioration has occurred at a faster rate for males in many industries during the past 25 years. The long-term economic restructuring has resulted in a general substitution of service work and male overlap in areas of traditional female employment. Although males are still not highly represented in part-time work (approximately 6 per cent for males over age 25), their involuntary part-time rate has increased at a rapid rate with each of the two

⁴¹ There has been a decline in seasonal swings ('the average monthly rise or fall in employment due to seasonality') from 3.4 per cent in 1976 to 2.8 per cent in 1997 [18].

⁴² Part-year employment has decreased from 33 to 28 per cent since 1980 [Marshall (1999) 19].

previous recessions [Appendix 15 & 16]. However, as of 1997 male involuntary part-timers (over age 25) represented only 3.2 per cent of the male workforce, compared to 8.6 per cent for women [Rose (1999) 20-21; Statistics Canada: Labour (1997) 21]. Nonetheless, there has also been a rapid decline in the full-time-to-part-time ratio for males [Appendix 17] in particular for those over age 25, while it remained relatively constant for women over age 25. The male part-time rate has doubled since 1979.

Data extrapolated from the SLID survey, shown in Appendix 18, 19 and 20 provide evidence that a disproportionate number of Canadian women were involuntary employed in part-time work in 1994. While women represented only 46 per cent of survey respondents, they accounted for 69.2 per cent of part-time workers. Thirty-eight per cent of female part-timers responded that they could only find part-time work. In 1993, 34 per cent were reported as working in part-time jobs involuntarily, because full-time work was unavailable to them [Nova Scotia Status of Women (1996) 3]. Moreover, women represented 72 per cent of all involuntary part-time workers⁴³.

Higher numbers of women (9 per cent, as opposed to 1 per cent for male respondents) worked part-time for the reason of caring for children or family responsibilities. Nonetheless, with only 9 per cent of female respondents in this category, the data appears to contradict prevailing notions that women work part-time primarily as a personal 'choice' because of family and child-rearing responsibilities. The employment status of permanent full-time work and job security are often not the reality for Canadian women.

Further analysis shows that approximately one-half of part-time lone-parent females are involuntary part-time workers, *which may support the theory that potential*

⁴³ These figures are consistent with previously published data prepared by Status of Women (1994).

employers perceive that they are inferior workers. Women who are married are more likely to work part-time for reasons of personal preference for this type of work arrangement [Rose (1999) 21], which implies that they may be more vulnerable to labour market exit when faced with the 'discouraged worker' syndrome.

The disturbing connections with part-time work is that it involves a much slower accumulation of human capital in terms of work experience and training, but it is also associated with precarious labour market attachments. These factors are also major determinants of the length of unemployment and re-entry into stable work patterns. In contrast, women who voluntarily work part-time have unemployment spells that are brief because part-time work is more readily attainable due to demand-side economic factors having caused enormous part-time job growth in recent decades [Mayer (1994) 128-135].

In her study on the effect of part-time work on unemployment spells, Mayer (1994) concluded that part-time work experience lengthens the period of unemployment for those seeking full-time work and it encourages a self-perpetuating cycle of job instability and labour market discontinuity patterns⁴⁴. While men and women experience similar unemployment levels, the study has suggested that discouraged unemployed women would disproportionately settle for low-wage part-time work. On the other hand, men who seek full-time work have shorter unemployment spells⁴⁵ and they will hold out for a much longer period before accepting a part-time job [135]. Mayer's results also confirmed that women were disproportionately affected, in particular because they are involved in part-time work during the early prime employment years. It has serious long-term implications for career advancement, because it creates a vicious trap that

⁴⁴ This is not the case for men; their labour market attachments are not necessarily affected by cumulative part-time work experience [135].

⁴⁵ The study suggests that they are made full-time job offers at a faster rate than women

keeps them in low-wage intermittent work and at high risk for permanent labour force exit [128]. It is exactly these features of women's labour force participation that makes them less marketable workers even when competing against young unemployed males.

There are dissimilarities in the gender implications of unemployment. It is perhaps integrally connected to how the nature of economic change has shaped gendered work, but it is also evoked by traditional elements in gendered reproductive work. Both forces have significant implications for the gendered dynamic of what is deemed an appropriate definition of a 'reasonable attachment' to the labour force for the purposes of employment insurance entitlements.

The 1994 SLID data confirm certain facts about women and men's employment patterns. Men appear to work part-time at the beginning and end of their careers. Part-time work is mostly a temporary interlude in the male career advancement path. Appendix 21 confirms the wide gap between full-time and part-time male participation patterns, in particular, during the prime working years of ages 30-54. Between these ages, men have a part-time rate of less than 8 per cent of total employment. Appendix 22 indicates a much narrower gap and consistent pattern between working-age full-time and part-time women. After age 20, there is an average of one-third of the employed female labour force that consistently works part-time until retirement age.

Noteworthy is that the consistent pattern of the part-time phenomenon extends well beyond women's childbearing years, which supports the contention that much of it is involuntary, as well as self-perpetuating. While reproductive work may be the initial spur, once women embark on the cycle of part-time work there may be very little scope for subsequent mobility.

4.5 Influences on gendered relative wages

Empirical findings suggest that, since 1980, male wages have declined relative to female earnings [Statistics Canada. (March 1998) 18)]. The figures in Appendix 23 confirm similar wage patterns for unattached males and unattached females. However, wages work in the opposite direction for those men and women who are in coupled living arrangements. The much higher preponderance of women in the lower wage category (56 per cent earned \$0-\$20,000) may be explained by the high incidence of part-time or casual work. Mayer (1994) pointed out that female workers with predominantly part-time experience have a low rate of full-time job offers. However, she also pointed out that length of work experience does not necessarily shorten women's unemployment spells for those seeking full-time work, which is quite contrary to the male experience [126,131,135]. These factors have serious implications for gendered relative wages.

Discontinuities in work patterns may have harmful consequences for the economic status of women. The HRDC (1996) Gender Analysis study reported that 37.8 per cent of women with children under age 5 were not in the paid labour force (680,000 of 1.8 Million), of which 65,000 were unemployed (3.6 per cent) [16]. The General Social Survey (1995) revealed that 71 per cent of women return to paid employment after their first work interruption, but only 35 per cent of women do so within two years and only 31 per cent return to the same job with similar tasks. Only 47 per cent of women who had previously worked full-time also returned to full-time work. Other figures on gender work interruptions and job tenure are shown in Appendix 24. Surprisingly, even university-educated women have a long average duration of 3.1 years in their first work interruption; women with lower education levels have even longer periods of discontinuity. There are huge implications for women's re-integration

into the labour force after work interruptions of even just a few years: technological advances have been rapid, particularly in the female-dominated service industries. As such, women lose their marketable skills very quickly. They have weaker attachments because of temporary work⁴⁶ and they are highly underemployed in low-wage work.

Statistics Canada (and many other studies) has published research documenting that women spend disproportionately more time in childrearing activities (16.2 hours per week compared with 8.6 hours for men) and unpaid household chores (26.2 hours per week compared with 13 hours for men). The figures for lone-parent women are 23.3 and 25.2 hours, respectively. This phenomenon is applicable to both employed and non-employed women. They continue to have primary responsibility for the needs of children and the household entity [Rose (1999) 11,15-16]. The unequal distribution of domestic work is almost guaranteed to materialize into lower gendered relative wages. This is because it implies fewer hours spent on building marketable skills and training in the labour market, which are traits that are valued and command good pay.

4.6 Youth unemployment and the intensified competition with the female workforce

In 1946, 57.3 per cent of youths ages 15 to 24 participated in the labour force. This dropped to 48.1 per cent in 1965, mostly due to social conventions that encouraged longer spells of education. Since that period, there had been an upward trend in youth labour force participation patterns (November 1989 - 67 per cent). However, this had changed in the 1990s (November 1993 - 49.8 per cent participation;

⁴⁶ Statistics Canada has reported that 57 per cent of non-permanent workers are women [1997:Catalogue 75-001 (31)].

1997 - 57.5 per cent), with a large drop in their share of service industries jobs [Sunter (1994) 31-32; Archambault and Grignon (1999) 1].

It may be necessary to provide the historical context relating to the issue of youth unemployment, in particular because the Canadian economy is experiencing an expanding male youth unemployment crisis similar to the period of the Great Depression. Chapter 3 elaborated on young single women's experiences. However, this short historical analysis will speculate on how the current intensified competition in the services sector may result in diverging gendered labour market outcomes.

Throughout history, it has been widely believed that intervention, in the form of social discipline, was usually necessary to preserve young men's 'work ethic'. It was also probably related to the fact that they were channeled into the worst jobs early in their working years. Low wages have often exacerbated the incentives problem. When unemployed, young males were also the 'undeserving' poor because they were usually able-bodied: idleness implied laziness. As Struthers (1983) noted on wages in the 1930s, "In an economy highly dependent on low-paying unskilled work, any form of relief for the unemployed constantly ran the risk of becoming more attractive than work" [135].

Labour force statistics shown in the figures of Appendix 25 provides the historical context of high male youth unemployment, even in the 1950s. Their unemployment rates were approximately double that of other groups in the labour force. However, this had always been a temporary condition, obviously because these young men would age, and the unemployment rates of males over age 25 years (and particularly, married men) were always reasonably low among of all demographic groups.

Various forms of workfare, including 'employment benefits', are not unfamiliar to the male youth unemployed. In the late 1930s the National Volunteer Conservation Service actively recruited young men to receive training in the Canadian primary industries. Moreover, a 'Farm Placement Plan' was designed to curb the transient and agitated young male unemployed population in the cities [Struthers (1983) 156-160]. Later, in the 1950s, youth labour market policy included various programs and wage subsidies directed at job creation in community projects. In recent decades young males' unemployment has often been targeted alongside other marginalized groups, such as women and visible/ethnic minorities. Moreover, job creation strategies have shifted from a community projects focus to the private business sector [Pal (1987) 47-55].

In the 1940s and 1950s male employment differed considerably from female jobs, whereas today there is much overlap in gendered work, particularly in the services sector (banking, finance, insurance, clerical work, public service) [Armstrong and Armstrong (1994)] as shown in Appendix 26. In the 1940s young men (many of whom were immigrant youth) would be channeled into unskilled work in seasonal industries such as agriculture, forestry, construction, mining, fishing and trapping. Just over 35 per cent of the Canadian workforce were segregated into these industries. Young men also competed with the older male workforce; lax immigration policies ensured that there was always an oversupply of male labour in order to keep the wage rate low [Struthers (1983) 4]. In more recent decades the percentage of male workers has declined in the primary industries and manufacturing, in favour of increased employment in community and business services as well as public administration. The aftermath of long-term economic restructuring has also resulted in a general substitution toward work in the services. Therefore, young men are competing in areas

of traditional female employment and, as suggested earlier, they have been losing their share of service sector jobs.

As shown in Appendix 27 & 28, following the early 1980s recession male youth unemployment had declined to 12.3 per cent by 1989. However, this has not been the experience after the recession of the early 1990s. While this group's unemployment was over 20 per cent in 1992-1993, it has hovered around the 17 per cent mark since 1995. In June 1997 the unemployment rate for adults (over 24 years) declined to 7.5 per cent, while youths (ages 15 to 24) experienced an unemployment rate of 17.5 per cent. The rate was 23.5 per cent for those ages 15 to 19 [Perspectives: Highlights (1997) 3]. Young women's unemployment rates have shown healthier post-recession recovery [Appendix 27 & 28]. Similar to the 1940s and 1950s, significant numbers of young women will always be channeled into (and remain) in the less cyclically-sensitive, low-wage, lower-tier echelons of the labour market.

The economic cycle usually explains a large proportion (approximately 50 per cent) of the drop in youth participation rates [Archambault and Grignon (1999) 18]. Following the severe 1990-92 recession, participation rates declined because some young people returned to school⁴⁷, exiting with inadequate work experience to offer potential employers. Many of the others remained out of school and the labour force⁴⁸, half of whom are young women with children (50 per cent were lone-parents) and the other half young men. They had few prospects for future employment and more than one-third received social assistance [Sunter (1994) 32-35].

⁴⁷ Youth participation rates declined from 66.9 per cent in 1989 to 57.5 per cent in 1997, and school enrollment increased by 10.5 percentage points for those ages 15 to 24. However, only 44 per cent of the drop in participation was attributed to increased school enrollment [Archambault and Grignon (1999) 3,7].

⁴⁸ 6 per cent in 1992, of which 72 per cent were women [Sunter (1994)]; this dropped slightly in 1997 to 5.7 per cent (labour force drop-outs). Nonetheless, 11.1 per cent of youth were 'unemployed and not attending school' [Archambault and Grignon (1999) 9].

One problem faced by the government is that a significant decline in youth participation can not be explained entirely by the business cycle⁴⁹ and the concurrently cyclical nature of school attendance. It is structural in nature and it has not been adequately accounted for by changes in the real wage, the minimum wage, EI or social assistance, and not even the rate of return to education⁵⁰. Nor does it appear to be reversing itself to any large degree [Archambault and Grignon (1999) 18].

From 1989 to 1997, the percentage of men, ages 20-24 who were neither in school, nor in employment increased, whereas it had decreased for all other demographic youth groups [Appendix 29] [Archambault and Grignon (1999) 38]. This implies a reoccurrence of the dreaded idleness problem referred to earlier. This is an important fact in the discussion of the next chapter because it will suggest that the earnings patterns and unemployment of this particular demographic group has been 'heavy on the agendas' of policymakers.

Indeed, young people have lower job tenure by virtue of their age and because of the nature of jobs into which they are segregated, such as part-time or intermittent work. As Sunter (1994) noted, youths are 'Last hired, first fired' [32]. Current labour market trends are such that young men have fewer opportunities to even obtain part-time jobs in order to gain the experience that will assist them in moving into permanent work as had usually been the male experience of previous decades. As noted earlier, they have also experienced a large drop in their share of service industries jobs. The way they can move into the 'good jobs' is if they gain some experience in the 'McJobs'

⁴⁹ From 1990 to 1996, only 33 to 50 per cent of the decline in youth labour force participation was attributed to trade cycle phenomena [Archambault and Grignon (1999) 19].

⁵⁰ One study concluded human capital acquirements are not really benefiting young workers, because older workers have been attaining education at a more rapidly increasing pace. This may account for 30 per cent of the wage gap between older and younger workers [Kapsalis, Morissette and Picot (1997)].

or, in particular, in the services where married women are highly concentrated. This is the modern reality of their labour market entry point, and an oversupply of women is blocking young males' access.

Given that jobs are set from the demand side of the economy, even a mere five percent of married female exits would benefit the male's relative positions on the labour queue of the unemployed. Young men solidify their attachments as they move rapidly from bad jobs to good jobs because of signaling mechanisms to prospective employers. First, irrespective of productive traits identical with those of young women, the discriminating market rewards young males on the basis of their personal endowments⁵¹. The economic misfortunes of young women is that they move into less favourable jobs and, as evidenced by high statistical probabilities, they will remain in these jobs. Second, given the history of married women's labour force patterns, regressive policy most assuredly creates conditions for the severing of female labour market attachments. What will follow in Chapter 5 is empirical analysis of how this self-perpetuating process has begun to occur, and how employment insurance policy masks dramatic differences in gendered incentive effects.

⁵¹ There is a need to clarify the economic definition of discrimination, as it pertains to gender labour market access: The economic definition of labour market discrimination, while not a legal concept, is nonetheless a process of the systematic favouring or creation of advantages for some groups over others. Discrimination plays an essential role in the structuring and segmenting of labour market groups as it determines the employment experience, including job and wage offers, as well as the actual allocation of income shares. There are different forms of labour market discrimination. Demand-side statistical discrimination occurs when two workers share a set of socioeconomic characteristics, yet access to opportunity is impeded for one at the pre-entry level based on employer perceptions of their inequality of potential resources. This may be perpetuated by myths, biases and stereotypes that are deeply and historically embedded in our socio-cultural institutions. Systemic discrimination involves the creation of barriers or processes which impede a worker's ability to convert potential opportunities into successful labour market outcomes. Historically, both have resulted in women's occupational segregation (lower wages usually follow) and impediments to mobility, despite significant acquisition of human capital qualifications. As a result of these underpinnings in the construction of the labour market, women are more vulnerable to changes in the income security scheme and they face a deteriorating system at a progressively faster rate.

4.7 Concluding observations

This chapter began with historical statistics which describe the realities of dual-earner families. Most women are no longer dependents or secondary wage-earners who supplement the family income in order to have a higher standard of living. A solid core of female workers, including lone-parents, have developed strong attachments to the labour market mostly due to economic need.

The chapter also discussed that self-employment is no longer a phenomenon of a minority of workers. Although women represent one-third of self-employed workers, they also face greater vulnerabilities in these types of work arrangements, as was shown in their earnings and exit patterns. They would also receive substantially higher beneficial value from their inclusion in the EI scheme. However, in a culture that predominantly prioritizes male deprivation in the labour force, the social implications of maintaining women workers in these marginalized circumstances is not a high priority on the state's agenda. For married or coupled women who are self-employed, it is also assumed by policymakers that their earnings will naturally continue to be supplemented by male partners.

It may also be concluded that the precarious economic status of women is often rooted in child-rearing arrangements. Women's responsibilities for children impedes their capacity for full labour market integration. When financially feasible, married women often reduce their work hours for family reasons, including the shortage of daycare. When they are subsequently obliged to enter the workforce because of divorce or other economic reasons, they face glaring wage discrimination. The SLID evidence suggested that the split between the private and public spheres continues to prevail. It established significant differences in involuntary gendered part-time work and

relative wages for women living in coupled relationships. These are factors which encourage labour market discontinuities.

The long-standing issue of youth unemployment and its relationship to the shift of male workers from seasonal employment to the service sector exemplifies yet another stage in the evolution of gender relations. However, as marginalized workers, 'women and youth' are not a homogeneous group of disadvantaged labour force participants. There are structural institutional differences in the 'rational choices' made by these economic agents. The echelons of the labour market hierarchy also continue to favour the male worker.

The next chapter will examine social policy factors that influence the gendered division of wages. For example, when women have less access to employment insurance benefits this compels their segregation in other forms of non-standard or non-permanent work in order to accommodate child-care responsibilities. The problem is that they will spend their crucial younger, seniority-accruing years away from the advantageous sectors or occupations in the labour force and also falling significantly behind in wages. These types of work arrangements offer lower wages, and they are associated with low training and the chronic unemployment characteristic of a flexible workforce. This results in an even greater economic marginalization of women.

Porter (1993) argues that policy development of the post-war welfare state determined the socio-economic status of women. Restrictive access to income security segregated women even further into low-wage industries and jobs. Married women's regulations of the 1950s were a good example of how this type of oppression had manifested itself into a self-perpetuating segregated labour force [111]. Chapter 5 will demonstrate how this process appears to have been re-deployed with the new EI regulations.

Chapter 5: From Unemployment Insurance to Employment Insurance: Changes in the 1990s and the Gender Implications

5.1 UI in the 1990s: the new emphasis

The 1990s marked three successive stages of restrictive regulation changes with the particular goals of cost-cutting measures as well as a heavy emphasis on worker incentives and getting the unemployed into jobs. The 1990 UI Act emphasized active employment programs in order to improve labour market adjustments, by redirecting \$800 million into these activities [HRDC (1997) 7]. Further restrictive measures had been precipitated by the recession of the early 1990s when benefit payments reached approximately \$20 billion [CCSD (1996) 33-34]. It would only be after the 1994 changes which disintitiled many claimants that the program would begin to accumulate surpluses; they amounted to almost \$6 billion in both 1995 and 1996 [Lin (April,1998) 59-60]. Moreover, the federal government withdrew its financial contribution; the fund thus became fully-financed by employer and employee contributions [Muszynski (1997) 19].

In addition, a complex formula of increasingly restrictive maximum benefit periods and benefit phases was introduced in 1990 and further refined in 1994; it was related to the unemployment rate and weeks of insurability, with a maximum benefit period of 50 weeks. The 1993 Bill C-113 reduced the income replacement rate to 57 per cent; the 1994 Bill C-17 reduced it further to 55 per cent, as well as further tightening of the entrance requirements and lowering the maximum benefits periods. The variable entrance requirement (VER) increased to 10-20 weeks from the previous 10-14 weeks. A 1994 change further increased the VER to 12-20 weeks.

5.2 Retrogression to the 1940s: the gender implications

In a cost-cutting turmoil, deterioration of the UI program continued in the early 1990s, with new rules directed at making ineligible those workers who quit their jobs or were fired for misconduct. In 1971 such workers faced a three-week benefits penalty. Their disqualification penalty was raised to 7 to 12 weeks in 1990 (with a 50 per cent earnings replacement level) [Lin (April, 1998) 67-71]. Finally, 1993 followed with a hefty loss to workers, which entailed a severe penalty of complete disentanglement for quitting a job or being dismissed for misconduct [Lin (April, 1998) 67-71, Lin (Summer, 1998) 44]. This rule is of particular concern for women who are employed in jobs with little autonomy and control over their workday; they are more prone to workplace abuses as well as intensification of their work efforts. Recent corporate restructuring and massive lay-off strategies may have also forced the remaining women to endure many unpaid and involuntary overtime hours.

On a positive note for women, in 1994 a family supplement was extended to those low-income earners with dependents, based on the goal of fending off the necessity for claimants to seek out social assistance while on claim. It increased the benefit level up to 60 per cent of insurable earnings for those claimants who were receiving a child tax benefit and who met certain adjusted net income requirements. Although the amount is being progressively increased to 80 per cent by the year 2000, it will still, at that point, represent an overall average increase of only 12 per cent to these claimants' benefits levels [Arenburg (1997) 114-115]. Moreover, the dependents benefit is now offered on a family income-tested basis (as of 1996), which effectively excludes most married women.

5.3 Employment Insurance: purpose and major changes to the program

The 1996-97 Bill C-12 enacted legislative changes in the form of an 'Employment Insurance Act' which replaced the former Unemployment Insurance Act and the National Training Act [Arenburg (1997) 107]. The stated primary objective was to re-introduce insurance principles into the scheme and to respond to the 'changing nature of work' [HRDC:Monitoring (1998) 12], as well as to influence work incentives and procure \$1.2 billion in savings by the year 2002 [HRDC: A Guide (1996) 1-2]. As will be shown, these budget constraints are often the cause of coercive policy practices.

The benefits claim period was reduced from a maximum of 50 to 45 weeks for full-timers (varying by region), but the new rules also disproportionately and negatively affected duration entitlement for part-timers. The maximum insurable earnings level was reduced from \$845 to \$750 per week. In addition, there were claw-backs for higher-income earners, to a maximum of 30 per cent of benefits, for any income level that exceeded 1.25 times the maximum yearly insurable earnings. The benefit rate was set at 55 per cent of insurable earnings (1994), with additional claw-backs for repeat claimants of regular benefits ('intensity rule'), depending on their claim record for the previous five years [Lin (April, 1998) 66-71].

The new regulations abolished the insurable weeks coverage requirement (variable entrance requirement) in favour of a new formula based on 420-700 hours (depending on regional unemployment rates), and new entrants' and re-entrants' hours requirements (910 hours)⁵². Appendix 30 provides an outline of changes in the program entrance requirements which were implemented with the 1996 Bill C-12.

⁵² Entrance requirements were previously 20 insurable weeks for all workers, irrespective of regional unemployment rates.

These new rules applied to special benefits, including maternity benefits⁵³. Every hour worked became insurable and subject to premium collection⁵⁴, with refunds to some workers who earned less than \$2000 per year. The new system created some advantages for seasonal workers, who worked long hours for just a few months during the year, and favoured full-time steady workers [Arenburg (1997) 111-112].

The Employment Insurance Act replaced previous 39 federal employment programs with a newly streamlined set of five central programs, referred to as 'employment benefits'. This also included a federal government plan to shift labour market training programs to provincial jurisdiction [Arenburg (1997) 121]. Indeed, the crux of employment benefits is clearly private-sector job-creation and redirecting the unemployed into the low-wage private market sector.

The scheme has emphasized strong labour market attachment and 'active re-employment' measures, as well as minimal (yet improved) support for low-earnings families⁵⁵, through development programs, which are referred to as a 'Return-to-work Action Plan' (HRDC:A Guide (1996]):

1. Targeted Wage Subsidies: incentive measures to encourage employers to expand their workforce and offer opportunities to marginalized workers who face barriers to labour market entry;
2. Self-employment assistance: start-up funds for new private sector businesses, including additional financing for new businesses to hire workers;
3. Job Creation Partnerships: creating job experience for workers through community development projects in high unemployment areas;

⁵³ Special benefits claimants required 700 hours, irrespective of economic region.

⁵⁴ Prior to Bill C-12, workers who were employed less than 15 hours per week did not pay premiums and were not eligible for benefits.

⁵⁵ As previously noted, this is not applicable to many women in coupled living arrangements.

4. **Targeted Earnings Supplement:** encouraging claimants to accept a lower paying job, by providing a 'temporary' supplement. As emphasized by the government, one objective is 'helping people to move from dependency to work'. Approximately 35 per cent of lone-parents who are offered 'Targeted Earnings Supplement' (which averages an additional \$800 per month) are expected to get off welfare within a year [HRDC (January 23, 1996) 7,2].

5. **Skills Loans and Grants:** covers the costs of training or education, so that workers have the opportunity to upgrade their labour market skills.

On its path back to insurance principles, the scheme has also maintained elements of a 'needs-test' and a two-level benefits scheme in the form of claw-backs for high income earners alongside the enhanced family supplement for low-income families.

5.4 Employment Insurance: program performance and implications for women workers

5.4.1 Qualification periods: accessibility of entrance into the EI program

The 1971 UI Act covered an additional 1,160,000 workers who had previously been excluded [White Paper (1970) 10]. However, these workers had genuine access to the insurance plan in the event of loss of a job. The major access problem for women workers of that period was that they would likely be self-selected quitters.

The 1996 Bill C-12 claimed to cover an additional 500,000 part-time workers in terms of premiums collection which increased coverage to 96 per cent of the labour force. However, authentic access to the program has become much less real for women. While employment insurance coverage is more universal, it may be yet another stage of enhancing the process of redistributing income from part-time and

marginalized workers to the full-time workforce, which is a significant negation of its originally-stated policy aims and practices.

One of the primary objectives of the 'Employment Insurance Act' was to respond to the 'changing nature of work' [HRDC: Monitoring (1998) 12]. The function of an efficient and flexible system is to recognize the diversity of work arrangements that have become a prevalent feature of the modern economy. As shown earlier, this currently entails non-standard work such as part-time, short-term contracts or self-employment. One way to determine whether the program continues to provide services of a reasonable quality⁵⁶ is to establish whether those who pay premiums can reasonably expect to receive benefits when they become unemployed.

There has been growing evidence that some workers are paying premiums but have a minimal chance of ever accessing benefits because of the longer entrance requirements in the hours-based system⁵⁷. Part-timers form a big part of this group but it has also become the plight of many multiple jobholders. Women, *in particular those who are married*, are affected because they represent 69 per cent of part-time workers and 49 per cent of multiple jobholders [HRDC: Gender Impact (1996) 6].

In 1996, the vital changes for women were the new regulations that abolished the insurable weeks coverage requirement (VER) in favour of a new 420-700 hours-based formula (based on regional unemployment rates), including new entrants and re-

⁵⁶ Under Section 36 of the Canadian Charter of Rights of Freedoms, the Canadian Government is committed to providing "essential public services of reasonable quality to all Canadians". This raises a number of questions about equity and equality issues, as they relate to the adequacy of benefits and equal accessibility for all workers. Of course the commitment to this standard is only possible if the program takes into account the changing nature of work and relative standards of living. Currently the government is being challenged on the grounds that it has failed to provide these essential public services to the Canadian working population.

⁵⁷ For example, in a low unemployment region such as Manitoba, entrance requirements have increased from 300 to 700 hours. For new and re-entrants, the entrance requirement increased to 910 hours.

entrants hours requirements (910 hours) [Appendix 30]. However, the government estimated that 16 per cent of those claimants who worked less than 35 hours per week (90,000 premium contributors, of whom 47,000 were women) would be disentitled to benefits unless they increased their work hours [HRDC (January 23, 1996) 2,2; Gender Impact (1996) 7]. This is often not within the realm of possibilities for women workers.

For example, an examination of some labour market averages helps to explain the trend of declining EI claims by part-timers that followed the 1996 EI Act. Under the new EI regulations many workers were ineligible by virtue of the fact that entrance requirements had more than doubled in most economic regions. A 1996 impact report prepared by HRDC stated that in 1994 Canadian women had on average 37.4 insurable weeks⁵⁸ [HRDC (January 23, 1996) 2.1]. Given this average, under the hours-based system any worker who is employed over 19 hours per week would qualify for benefits if she worked the average number of weeks per year⁵⁹. One potential problem is that the average Canadian part-timer in 1997 worked 16.5 hours per week [Marshall (1999) 19]. This implies that under the hours-based system, a woman's entrance eligibility requirement would have more than doubled, from 20 to 43 weeks, which is considerably higher than the 37.4 average weeks that women usually work. Not surprisingly, based on these labour force averages, women's lower weekly hours would effectively disqualify them at the program entrance point.

There is no question that women's groups supported the elimination of the insurable weeks system in favour of a pooled-hours method, in particular because of its advantages in multiple job holders' access to maternity benefits⁶⁰. The new Bill C-12

⁵⁸ This is probably a much lower average for part-timers.

⁵⁹ Based on Manitoba entrance requirement of 700 hours.

⁶⁰ It should be noted that from 1976 to 1994, multiple jobs had increased sixfold for women, yet only doubled for men [HRDC:Gender Impact (1996) 22].

regulations applied to special benefits, including maternity benefits (700 hours irrespective of economic region). Since every hour worked became insurable, the hours-based system was of benefit to multiple jobholders who took maternity leave, because they would have departed from all jobs at once. HRDC (1996) estimated that 653,000 multiple jobholders (49 per cent were women) would receive full coverage [Gender (1996), Executive Summary].

However, multiple jobholders may only benefit from pooling their hours if they depart from all jobs at once. If a multiple jobholder faces unemployment in one job, she is also only allowed an 'extra earnings threshold' of 25 per cent of her weekly employment insurance benefits⁶¹. Once this threshold is reached, EI benefits are clawed-back on a dollar-for-dollar basis. This would effectively disqualify most multiple jobholders because their earnings from the other jobs would likely place them over the 25 per cent limit. For regular benefits claimants, chances are slim that they are laid-off from all jobs at once. Yet, they are paying premiums on their earnings in all employment and the loss of even one job may substantially reduce their standard of living. For their premium dollar, male multiple jobholders have effectively purchased a sickness insurance plan while female multiple jobholders have purchased a sickness insurance and maternity leave plan. The program may have responded to the changing nature of work in how it collects premiums. However, it has responded poorly to the problem of added eligibility for those who compose the 'new mix' of workers in the changing labour force.

Following implementation of the new scheme, the 1998 Analysis of Employment Insurance Benefit Coverage report confirmed HRDC's prediction of

⁶¹ There is one exception to this rule. For low-income workers, a \$50 per week lower limit is allowed, even if exceeds 25 per cent of their benefit.

declining claims. In 1997, 21.6 per cent of claimants who were laid off from their last job or quit with just cause did not meet the entrance requirements [45]. Nevertheless, they had paid premiums.

An analysis of HRDC's estimates is shown in Appendix 31. Increasing work hours is not a simple matter for many women for two reasons. First, approximately one-third of part-time women are involuntarily part-timers, three times the male rate, implying that they lack the opportunity to increase hours. Second, women continue to bear a disproportionate share of the social caring responsibilities for children and other family members. However, the key issue is that many workers pay mandatory premiums which are not recoverable. They are denied equal benefit in accessing the program unless they increase their hours of work, thus removing a certain degree of personal choice.

5.4.2 Dependency: women as labour force re-entrants

In 1996 policymakers had explored another consequence of the hours-based rules: the effective disqualification of labour force re-entrants by setting the eligibility requirement at 910 hours for those who worked less than 490 hours in the previous year. HRDC estimated that 98 per cent of the 90,000 individuals who were disqualified by the new rules were labour market new or re-entrants [HRDC (January 23,1996) 2,5]. They also reported, "It is estimated that between 50,000 and 100,000 women may face difficulty re-entering the labour market after staying at home to care for children and require employment services or benefits" [HRDC:Gender (1996) 16]. There are substantial effects on women who are re-entrants, even after a short exodus to raise children.

The report also noted, "...these individuals are new or re-entrants to the labour market who will now require the equivalent of 6 months of full-time work before qualifying for insurance benefits" [HRDC (January 23, 1996) 2,5]. These women face two significant problems with the current EI labour market policy. First, a difficult re-entry leads to jobs of short duration in the secondary labour market. Second, once established in the labour market, they face double jeopardy in accessing the EI program with the stringent 910 new-entrants rule if they subsequently become unemployed. The requirement of an equivalent of 6 months of full-time work is fairly substantial for those workers who compose the 'flexible' workforce discussed earlier. This weakens women's labour force attachments and increases their vulnerability to permanent exit from the labour force as 'discouraged workers'. However, the maintenance of a reserve army of flexible workers necessitates inaccessibility of benefits so that they can not hold out for better employment. Alternatively, stringent policy facilitates the severing of female labour market attachments altogether.

In 1998 HRDC reported, "Another reason for the decline in claims by unemployed women is probably the increasing proportion (from 20.5% to 29.9%) who are re-entering the labour force to search for work, and whose last job ended more than a year ago" [HRDC: Monitoring (1998) 67]. Women are over represented in this group of unemployed who move in and out of the labour force in a discontinuous pattern. It is often related to childcare responsibilities. The EI Coverage report suggested: "Thus, for many Canadians, it now seems more difficult to get a first job, or to simply regain employment after a long period without work" [(1998) 33-35].

These findings are reinforced by certain labour market facts. Women over age 25 form the majority of labour force re-entrants and, on average, they surpass men two-to-one in this labour market pattern. Appendix 32 reveals that they represent more

than half of re-entrants (1995) into the labour market (after an absence of over one year), whereas young men age 15-24 only represent 10.4 per cent of re-entrants. This is a highly disproportionate representation when compared to the percentage of all unemployed women workers (1995 - 32.1 per cent). From 1978 to 1995, men's representation (over age 25) of re-entrants also increased, but on a less proportional basis to their representation as a percentage of unemployed workers [Rose (1999) 24-27]. If the government can effectively succeed at withholding many of these mothers at the labour market entry point through the discouraged worker effect, this would also relieve pressures on the implementation of a national day care program.

When many married women re-enter the labour market they do so on a part-time basis and in less firmly-attached jobs. Therefore, not surprisingly, they would have a difficult time being employed continuously over a twelve month period in order to meet the 910 hour EI entrance eligibility requirement. In its Monitoring and Assessment Report, HRDC (1998) has noted the following,

...higher proportions of long-term unemployed, new entrants and re-entrants who had not worked for more than a year - contributed substantially to the drop in regular claims As well, the program changes intended to encourage longer periods of work,...may have caused the flow of new claims to slow down [20].

The Canadian Labour Congress (1998) has also reported that women between ages 25-34 incurred *substantial losses* as regular UI beneficiaries in 1997. Their claims dropped by 20.8 per cent from the previous year [2].

However, Appendices 24 & 32 amply emphasize that women over age 25, and particularly those with children as well as lone-parent females, are much more susceptible to economic losses as a result of these policy measures. Moreover, there are a few other labour market realities that result in reduced benefits for women under

the new hours-based EI program. They work fewer weeks during the year. Women (ages 25-64) represent 62.1 per cent of the working age population that work between 12 to 19 weeks during the course of the year which would effectively eliminate access to the program. They also represent 56.7 per cent of those who work less than 12 weeks per year [Rose (1999) 30]. While it is true that they may not have qualified under the old rules either, a key issue is that they have become premium contributors to an insurance plan on the basis of all of their employment hours, but with reduced chances of ever benefiting from the program. As shown in Appendix 24 women also have shorter job tenure. They are highly concentrated in job durations of less than five years within all age groups. They also outnumber men in jobs that last less than six months (15.3 per cent compared with 14.5 per cent), which would disproportionately disentitled them as EI entrants [Rose (1999) 19-20,30].

As a final note: HRDC (1998) also reported that the hours-based system has decreased entrance eligibility of workers, *predominantly female*, in the retail industry which they attributed to a high incidence of low hours worked [69]. While men are disproportionately employed in seasonal work (usually eligible for EI coverage), women find themselves in all other kinds of employment circumstances that still do not provide access to income security in the event of unemployment [Rose (1999) 19-20,30]. This does not mean that women are not seasonal workers. They are, indeed, highly represented in the fish-plants and in tourism jobs in Atlantic Canada that are also subjected to seasonal unemployment [Nova Scotia Status of Women (1996) 9]. The point is that policy changes have not reflected the disadvantages created by women's reproductive roles. Mixed with part-time work, it plays a huge role in the discontinuity patterns of their labour force participation and makes them much less effective 'competitors' in the labour market.

5.4.3. Married women and labour market competition with the unemployed youth

In 1996, Human Resources Development Canada (HRDC) had suggested that the proposed increase in EI entrance requirement to 910 hours would be the only regulation to affect young people [(January 23,1996) 5]. In fact, they would be the beneficiaries of a number of the re-employment programs that were also directed at young males⁶² which addressed the government's concern for their increasingly weak attachment. The regulatory changes were incentive-focused in the discourse of 'self-sufficiency' and 'accountability'. In a familiar tone, the government suggested that UI had been a 'revolving door' for young people who were already susceptible to unstable employment and regularly used the program.

The HRDC Monitoring and Assessment (1998) subsequently pointed out:

...women and young people have likely been more affected by the higher eligibility requirements for new entrants and re-entrants....Young people...have experienced higher than average declines in claims and benefits. Similarly, the larger decline in claims for women compared to men seems to be related to differences in work patterns. [18,32].

Although a thorough analysis is restricted by data limitations, it appeared as though the government succeeded in reducing claims and benefits with the new hours-based rule.

What was HRDC's logic for the apparent contradictions of this stringent entrance regulation? At the very least, the former UI system had always managed to maintain some incentives for the marginal labour force participants to stay connected in

⁶² Wage subsidies and targeted-earnings supplements (for those individuals who refused to take low-wage jobs), were directed at social assistance recipients, female-lone parents and individuals with disabilities.

order to qualify for benefits⁶³. It may be explained by the fact that the 910-hour policy measure easily obscures the unequal distributions in the shielding effects of employment insurance. The new entrants rule appears to be gender-neutral. However, there is considerable variation in the characteristics of labour force new and re-entrant claimants. In particular, it masks substantial variation in the way males, as opposed to females, have always experienced the labour force. For example, this rule may help to solidify young male labour force attachments by encouraging them to accept low-wage service sector employment. However, it may be regressive policy directed at women by virtue of their traditional social roles and by encouraging dependency relationships.

Bill C-12 policy reveals a shift mostly to the detriment of a second-tier group of women, many of whom are married, and who would compose the majority of re-entrants, as well as the part-time or temporary workforce. They would be disqualified at the entrance point, including access to maternity benefits, or face quicker benefits exhaustion because of lower average hours.

Shifting trends in recent labour market statistics also support this contention. First, in January 1997, when Bill C-12 was implemented, women's (ages 25+) participation rate was 58.6 per cent, their part-time rate was at 29.5 per cent, and unemployment at 6.2 per cent. Just over two years later, in March 1999, their participation rate had declined to 58.1 per cent. The female (ages 25+) part-time rate had declined significantly to 23.5 per cent, and the unemployment rate increased to 6.5 per cent. The female employment rate had also declined from 55 to 54.2 per cent during this two-year period [Statistics Canada (1997) T13; Statistics Canada (May

⁶³ Mainstream economic theorists have long concluded that generous benefits have a positive effect on the participation rates of those with weak attachments, such as young people, by keeping them in the official labour force even when not working. It is also a determinant of the schooling decision.

15,1999) T1]. Moreover, in May 1999, Statistics Canada reported that women's (ages 25+) share of part-time employment had declined from the previous year by .8 per cent, although young people's share had increased by 3.6 per cent. Women also gained a lower proportion of full-time jobs (3.6 per cent) than young people, ages 15-24 (5.7 per cent) during the same period [(May 15, 1999) T1].

Second, as shown in Appendix 33 women's (over age 25) part-time rate has shown a negative growth rate in 1998 and 1999 that was virtually unprecedented since 1977⁶⁴. Third, as shown in Appendix 34 since Bill C-12 has been implemented the male (ages 20-24) participation rate has increased [Appendix 34], while other youth demographic groups⁶⁵ continued to decline. Fourth, as shown in Appendix 35, an unprecedented part-time job loss has occurred for women over age 25, for two consecutive years from 1997 to 1999⁶⁶. During the same period, the biggest gain was experienced by males ages 15-24; in the previous year, males ages 20-24 had lost part-time jobs.

Finally, Appendix 36 shows the sharpest drop (after 1996) for males, ages 20-24, in the percentage of young people who are 'unemployed and not in school', which coincides with their increasing participation rates. Their school enrollment rate has also leveled off, which signifies that they are less 'discouraged workers' and are re-entering the labour force [Appendix 37]. Subsequently, in a period of improved economic performance from 1998 to 1999, these same males increased their share of part-time employment at three times the rate of women over age 25 (who gained a lower share

⁶⁴ There was one exception in 1989, where the decrease from the previous year was -.19 per cent.

⁶⁵ Women's participation (age 20-24) declined in 1997; however their participation rates rose again in 1998.

⁶⁶ 1999 - seasonally adjusted figures

of part-time jobs than all young people) and at twice the rate of young women ages 15-24 (unadjusted figures). These data are also shown in Appendix 35.

Recent job growth would be expected as a part of the normal cyclical phenomenon, as the 1998-99 economic growth has seen a slight tightening of the labour market. It would also be expected that male employment would be affected to a larger degree, because of the cyclical sensitivity of their employment patterns. But men over age 25 have not been affected: they experienced no growth in either part-time or full-time jobs, the latter being the expected scenario.

Assuming that a large proportion of female part-timers are partnered women, this may suggest that stringent policy is succeeding at making room for male employment. Only it is more subtly executed under the convenient guise of 'active re-employment programs'. There is a high likelihood that a permanent number of married women are beginning to exit the labour market or face discouragement as re-entrants. However, the evidence is restricted by current data limitations, specifically on the labour market activities of married women.

In economics, the discouraged-worker theory suggests that when job prospects dwindle, workers may withdraw from the labour force. The events after the Second World War, whereby policy measures effectuated the exit of a massive number of married women, are a perfect example of the 'discouraged worker' syndrome. This is less likely to occur during a period of recession when economic hardship spurs the need for additional family income (the 'added worker' effect) [Archambault and Grignon (1999) 12]. The post-1990s recession resulted in a long period of weak recovery with stagnant job growth in the economy. However, the 1998-99 period has been one of growth. Hence, for married women, unemployment insurance policy instruments could actualize the discouraged worker effect that would facilitate labour market exit. The

timing of Bill C-12 was perfect. History has provided a consistent track record. When discouraged, youths go back to school and married women return into the home.

These statistical data are also supported by other historical labour market facts. Although young men and women experience a good deal of equality of opportunity during their younger years, there is significant evidence of divergence in their labour market outcomes even within just a few years after they leave school. There is also very little differential in their wages in the early years. Therefore employers have few incentives to replace men with cheap female labour [Statistics Canada (1999) T21]. Historical labour force statistics have shown that men over age 25 have a very high likelihood of being in permanent full-time work. Given these probabilities, young men will move at a faster rate into full-time work than their female counterparts. Formulating policies which strategically redirects part-time married women into the home will enhance young men's labour market opportunities, which will gradually move them into full-time permanent work and into the favourable jobs. Of course, a significant number of young women will also be full-time workers for most of their working lives. However, by virtue of statistical probabilities, a diverging gender gap guarantees that a significant proportion of young women will occupy part-time, non-standard work during a long period of their adult working lives. The result of the relative deterioration in women's access to opportunities will be a sizable gender gap in a restructured labour force that will, once again, ensure male numerical dominance of permanent, secure and higher-paid employment.

This is further supported by recent labour market trends in the polarization of relative wages between younger and older workers, which has been widespread across all industries and all education levels. Studies have concluded that women have made major gains in the earnings race. The real wages of lower-paid men, many of whom

are young males, have declined despite their fewer numbers who are entering the labour market (lower supply) and their increased levels of education (improved productivity). Their earnings lost ground in both recent recessions, with no recovery during periods of growth⁶⁷ [Picot (1998) 2]. The average Canadian youth male wage was \$9.70 per hour in May, 1999 compared with \$15.41 for women over age 25 [Statistics Canada: Labour Force (1999) T21]. Part-time married women would probably be located at the lower end of the female earnings distribution. Nonetheless, this group's real earnings increased by 10 to 20 per cent in the 1980s.⁶⁸ However, the higher relative female wage would create a new incentive to prompt substitution by cost-cutting employers, therefore increasing the relative labour demand for young males.

While 'employment benefits' may assist a few female re-entrants, the reality is that the benefits may affect the incentives and rational choices of economic agents in varying ways. First, employment benefits are provided on a very temporary basis. This is compatible with the lifestyles of young people who have a tendency to make decisions and take risks in their lives within a shorter time framework. Conversely, those citizens with family responsibilities, homes, mortgages, elderly relatives, shortages of daycare, and a disproportionate domestic workload, make decisions within an all-encompassing, long-term world view.

Second, the employment benefits are available to women only if they have collected maternity or parental benefits in the past five years, virtually excluding homemakers with school-age children. As will be shown, given the rapid rate of EI's disqualification of maternity claimants, this should effectively exclude large numbers of

⁶⁷ There was a 36 per cent decline in real wages of males (age 18-24) from 1979 to 1990, with three-fifths of that decrease having occurred by 1983 [Picot (1998) 20].

⁶⁸ Their earnings also rose by 0 to 13 per cent from the mid-1980s to mid-1990s [Picot (1998) 7].

women who leave the labour force due to reproductive work. Moreover, the Canadian Labour Congress had recently reported that in the 1990s a historically-low 39 per cent of all births were followed by UI maternity claims [CLC (1998) 4].

The HRDC Monitoring and Assessment report (1998) has also noted that 59 per cent of their employment benefits clients were men. However, it reported that women had been taking advantage of the self-employment benefits (a 9 per cent increase in 1997-98) [(Dec 18,1998) 38,67] which may be attributed to the start-up of small home-based businesses.

5.4.4 Access to EI: The Beneficiaries to Unemployed (B/U) Ratio

In the 1997 Monitoring and Assessment Report, HRDC noted its concern for the declining Beneficiaries to Unemployed (B/U) ratio which had dropped from 83 per cent in 1989 to 43 per cent in 1997 [7]. The B/U ratio indicates how many of the unemployed are actually receiving benefits. HRDC commissioned a study entitled *An Analysis of Employment Insurance Benefit Coverage (1998)*, which established that 48 per cent of the fallen B/U could be accounted for by program changes since the early 1990s. This specifically refers to increased program entrance requirements that mostly affected part-timers and new or re-entrants, and the exclusion of volunteer quitters and firings. Moreover, in 1994, there was an eight-week average reduction in the maximum benefit period; a further reduction occurred in 1996 [4,32]. In its 1998 Monitoring and Assessment Report, HRDC confirmed that one-third of the decline in beneficiaries during the period 1996 to 1998 was attribute to these restrictive EI reforms [61].

The same study suggested that 43 per cent of the Beneficiaries to Unemployed (B/U) Ratio decline from 1989 to 1997 is accounted for by labour market changes. Specifically, 90 per cent of this figure is “the number of unemployed who have not

worked in the past 12 months as a proportion of total unemployment". While the 'long-term continuously unemployed' workers account for a small portion of this group, HRDC is mostly referring to a 'new mix of unemployed', who are labour market new and re-entrants [32-35].

The B/U ratio had been lower for women since the mid-1970s for a number of reasons. Historically, women's unemployment has not been as sensitive to business cycle movements, because of their high concentration in the services sector. This was not the case during the early 1980s recession where many female jobs were eliminated in manufacturing, after a few decades of their expanding representation in this sector of the economy. This is shown in Appendix 38 where the female B/U ratio rose sharply in the early 1980s. Moreover, women's higher probability of being labour market re-entrants, or disentitled part-time and temporary workers, also decreased their ratio of eligibility for benefits in proportion to their unemployment rates.

It should be noted that policy reform was attempting to create 'equity' by addressing some of these exclusions in the 1996 Bill C-12 program changes. By 'counting all hours' as insurable employment it would be easier for some people to become eligible for employment insurance. HRDC had expected no net changes in the numbers of claims in the following years. This would be accounted for by improved accessibility for many part-timers who were not previously insured in the program. However, they expected that this increase would be offset by a decline in claims by new and re-entrants [HRDC (1998) 17].

Moreover, the evidence indicates a declining trend that can not be entirely explained by the recently improving economy in 1998. In fact, HRDC has noted: "The average level of unemployment increased by about 1.3% for women, while the level for men decreased by 5.8%, which does not accord with a greater drop in claims for

women" [66]. HRDC has also acknowledged that the decline in claims was not the goal that they expected to achieve. It was partially attributed to those women workers with below-average weekly hours [18,66].

As shown in Appendix 38 there had also been gender convergence in the B/U ratio since the early 1990s. However, very recent figures indicate a disproportionately deteriorating B/U ratio for women since the implementation of Bill C-12 (1996). The female B/U ratio declined from 46.1 per cent in 1996 to 37.9 per cent in 1998; this was a relative reduction of 18 per cent. For men, it declined from 49.8 per cent in 1996 to 43.9 in 1997, a relative reduction of 12 per cent in the first year after Bill C-12; Subsequently, in 1998 the male B/U rose to 45.9 per cent for a two-year relative decline of 8 per cent. This raises the question of whether women have been offered reasonable levels of equality within this income security framework. Are they still being offered equality so that they can make rational choices about their employment and domestic lives?

HRDC (1998) has also suggested that the B/U decline "may also reflect a tendency for the EI program to move away from being a broad-based income support program to being more focused on providing insurance to workers with a reasonable attachment to the labour market" [Analysis of Coverage: 11]. Traditionally, the B/U ratio has been an indicator of how well the program was meeting its objectives or, put another way, whether it continued to be a service of reasonable quality to the unemployed. Given this statement, the declining B/U must be discussed in the context of women's role in the EI program as premium contributors, as well as in their roles of part-time workers, multiple jobholders and labour force re-entrants. The earlier sections in this chapter have highlighted these major factors that have caused the declining gender B/U ratio.

5.4.5 The adequacy of income replacement: benefit levels and duration

The EI regulations also provided fewer weeks of regular benefits entitlement for part-timers, which disproportionately affected women workers. There is an implicit favouritism of the dominant full-time workforce, because they can receive benefits long enough to hold out for a job that pays a reasonable wage. However, a woman who had been working approximately half-time and continually for 52 weeks (approximately 1040 hours) would be cut-off EI after only 18 weeks, which would likely relegate many women into lower wage jobs (services, retail) because of financial hardship. In this manner, the EI scheme has played a role in occupational segregation as well as perpetuating the reserve army of female labour. Limitations in the access to benefits cause many women to take jobs in the expanding fields of clerical or retail services, whereby excess labour supply conditions have been created for low-paying employers.

Another primary function of EI is to provide an adequate level of replacement income during a period of unemployment. As of 1997, the topped-up replacement rate for low-income claimants would be based on a 'family income-tested' basis. The new rule, by basing it on family earnings, effectively excludes most married female claimants who have low individual earnings, thereby reducing the number of women who are receiving this benefit. This is a replay of the 1950s where there was a presupposition that married women were connected to male relatives and therefore did not fulfill the 'needs test' and thus a good reason for their disqualification. Cultural factors still work against the acceptance of women as legitimate primary income-earners.

This is important for two reasons. First, a micro effect (i.e., as it affects the individuals concerned) is that unemployed women may not have other income sources at their disposal. An income security program that is focused on equality issues should

not assume the 'natural dependency' or 'secondary earner' status of married women. While six out of ten women live in coupled arrangements, few may have easy access to a partner's income in order to counter the personal financial loss of an unemployment period. They may also suffer the greater consequences of the loss of dignity through a reinforced dependency on a partner's benevolence. The UI program has an essential impact on both income distribution and redistribution in terms of the individual and their relationship within the economic family unit.

Second, although HRDC (1998) has claimed that average weekly regular benefits increased by 2 per cent for women, and "total income benefits paid to women dropped by [only] 13.5 percent compared to 18 percent for men" [(Dec, 1998) 4-5], this is attributed to a small minority of claimants (11 per cent)⁶⁹ who had access to the family supplement and a few other new program initiatives. However, it has not addressed the larger issue of low-income replacement levels at 55 per cent which is approximately half the wage-rate (also a replay of the 1940s) for the 'large majority' of claimants, both male and female. A reduction in the income replacement rate may have significant implications based on the evidence that follows.

Since the early 1990s, a few HRDC UI policy evaluation studies have established some important conclusions on the issue of reductions in benefits levels. The objective of one of these studies, conducted by Martin Browning of McMaster University, was to shed light on the implications of reductions in the income replacement rate on the material well-being of UI recipients. First, the key findings were that reductions in the income replacement rate are less effective in offsetting the fall in both personal incomes and household expenditures. A UI benefit cut is also harder on women than men. Men often have higher marginal tax rates which may cushion the

⁶⁹ HRDC (1998) Monitoring and Assessment Report [27].

blow of reductions. This means that cuts to the income replacement rate are 'less redistributive' to women workers implying that they have to bear the greater burden of adjustment in cut-backs to the income security scheme. Browning also estimated that a small 5 per cent cut in the replacement rate (which was the actual reduction in 1993) would lead to an overall family household net income drop of 3.5 per cent, and to a 4.5 per cent lower net personal income for women compared with 2.3 per cent for men [Browning (1995) 7,32].

These figures may appear to be minimal percentages. However, during a recession when unemployment occurs in large numbers, on an aggregate basis, there can be substantial economic consequences. Lower personal incomes reduce household expenditures which has a macro effect. If the replacement rate of income is insufficient, which half the wage rate would imply, it may have a substantial procyclical effect through its negative impact on consumption demand. Over the course of a recession, when a growing segment of the population has relatively less disposable income, this contributes to a cycle of weakened demand. The need for stabilization through the flow of purchasing power, when the economy is sluggish, had long been noted by social policy analysts such as Marsh in 1943 [Marsh (1975) 6-19]. An unemployed population with insufficient income results in expenditure deferrals on household durable goods, automobiles, and local industries in the services sector, such as haircuts, restaurant meals, drycleaners, and entertainment.

The above-noted Browning (1995) study also determined that a 10 percentage point drop in the income replacement rate led to a reduction in household

consumption⁷⁰ of 3 to 6 per cent, mostly affecting the categories of food and clothing as well as overall general goods and services [32]. On an aggregate basis, during periods of cyclical unemployment this may have serious implications within local economies that depend on community economic activity for small business survival.

The studies that follow have established that there are redistributive implications of a deteriorating EI program which has become less flexible to changes in the workforce.

One micro-simulation study⁷¹, published in 1995, examined the Canadian and U.S. unemployment insurance systems. It compared the Canadian income replacement rate of 55-60 percent against the much lower rate of 50 percent in New York⁷². It also compared the periods of maximum benefits duration, which were substantially lower in the U.S. The study concluded that a switch to the American income security model would provide a much less effective program, in particular, at mitigating the losses for workers in the lower income deciles. For example, 90 per cent of the men in the top income categories were unaffected by the more stringent American program, with the same result for only 20 per cent of males in the lower income categories [Osberg and Phipps (1995) 42,67]. This has important redistributive implications for Canadian workers because the B/U ratio in many Canadian provinces is

⁷⁰ The Browning studies distinguish between household expenditures and consumption, as a stocks and flows type of concept. A household may reduce its expenditures in the short run during a bout of unemployment, in particular, if it has no assets or credit from which it may draw. However, if the household has assets or access to credit, its consumption pattern may not be altered significantly. Consumption refers to a longer-term or overall drop in the material well-being of a household. It would also be expected that for some households consumption patterns would be a function of the length of the period of unemployment.

⁷¹ The Osberg and Phipps (1995) study was one in a series of HRDC evaluation studies which were conducted in 1995. Micro-simulation models of the economy are a specific tool of policy analysis. This study used micro-data from the Labour Market Activities Survey to conduct estimations of the economic behavior.

⁷² It should be noted that in the United States unemployment insurance falls within the jurisdiction of the states. Further analysis was conducted on the Texas legislation, yielding similar results.

beginning to match the low B/U ratios in various U.S. states. In 1997, the Canadian B/U ratio was 42.2 per cent which was not much above the U.S. B/U of 29.7 per cent [HRDC: Analysis of Coverage (1998) 21].

The Browning (1995) study also confirmed the above-noted simulation results. For example, a drop in the replacement rate from 60 to 50 per cent (a 17 per cent reduction) would result in a 14 per cent decline in women's net personal incomes and a 7 per cent decline for men. Household income would decline by 9 per cent and consumption by 3 to 6 per cent [33], with a higher mean fall of 7.7 per cent in expenditures for those claimants who were among the 'continuously unemployed'. The study also confirmed income and expenditure changes that disproportionately and negatively affected the lower income households [Browning (1998)15]. In this sense, a reduction in the benefits replacement rate makes the system less redistributive, contravening the intended goals of the UI scheme. These findings were confirmed by a third study that pointed out that the inequality effects would increase but not to the same degree as the effects of disentanglements through longer periods of entrance eligibility [Erksoy,Osberg,Phipps (1995) 7]. However, a lower income replacement rate clearly augments the claimant's personal financial cost of unemployment, especially for most low paid workers.

The latter HRDC UI policy evaluation report compared the 1971, 1986, 1990 and 1994 unemployment insurance regulation changes, with special attention directed at the rising program cut-backs. This study also noted that, relative to the middle and higher-income earners, inequality rose substantially in the lower income groups where women are highly represented [Erksoy,Osberg,Phipps (1995) 7].

Finally, in yet another study conducted by Osberg, Phipps and Erkstoy (1995), on extending UI coverage to the self-employed and short-hours workers (less than 15

hours per week), they concluded that there would be large positive impacts in reducing earnings inequality. Moreover, the effect would be felt mostly by those workers in the lower income deciles, in particular the 'working poor' population. They also pointed out that the biggest gainers would be women because of their work patterns of part-time and self-employment [37].

5.5.1 Maternity Benefits: Empirical evidence from the 1993 and 1997 Absence from Work Survey (AWS) and the reinstatement of the Magic Ten Rule

The 1986 Task Force on Child Care reported that only 55 per cent⁷³ of employed women who gave birth were able to claim UI maternity benefits despite the 1984 removal of the Magic Ten Rule and Section 46 of the UI Act. The low beneficiary rate was attributed to the replacement rate which was unduly low. Women could not afford to take time off, therefore they would take a shorter leave composed of vacation and sick credits. The report also pointed out that part-time workers had very little access to UI benefits and the self-employed were completely excluded⁷⁴ [Status of Women (1986) 25].

Following this report, a 1989 study⁷⁵ revealed that the proportion of UI-compensated maternity absences (two weeks or longer) had increased from 67.4 per cent in 1980 to 84.6 per cent in 1987. The study confirmed that the increase resulted from more flexible rules which had been implemented in the mid-1980s⁷⁶ [Moloney (1989) 36]. While the data suggest that the UI maternity program continued to be

⁷³ This was an official estimate (1985) which was reported by Employment and Immigration Canada.

⁷⁴ The report identified the 'self-employed' as not only business proprietors, but many contract workers, piece workers, taxi drivers. As well, some 500,000 Canadian women worked for their self-employed husbands (in unincorporated businesses).

⁷⁵ The researcher used data from the Absence From Work Survey (AWS).

⁷⁶ This would have included the removal of the Magic 10 Rule and Section 46 of the UI Act.

inaccessible for many women, significant improvements in compensation rates followed the 1984 repeal of the Magic 10 Rule, as well as Section 46, and subsequently the 1990 inclusion of parental benefits.

However, another hurdle emerged in the early 1990s. Studies showed that 40 per cent of women held non-standard jobs. Visible and ethnic minority women, who are often immigrants, have a high probability of being in these types of employment circumstances. These jobs are usually non-unionized, and many women reported that they held non-standard jobs because they could not secure full-time work [Day and Brodsky (1998) 7]. Many women, employed in family businesses (including fishing and farms), were also not entitled to maternity benefits.

Recently, the Canadian Labour Congress had reported that in 1997 maternity claims fell by 7.3 per cent, with maternity and parental benefits payments also having dropped by \$53 million [CLC (1998) 4].

While many women are postponing child-bearing until their thirties, which is possibly the result of women's pursuit of post-secondary education and careers [Moloney (1989) 30-35], indeed this explanation is an upper-middle-class notion of the reality of women's lives today. In terms of compensation for maternity absences, UI has been the most commonly accessible form of income security available to women since 1971 [Moloney (1989) 31]. The purpose as stated by the government was to counteract discrimination against women, in the spirit of international trends towards equity in the family. By posing a threat to the provision of universal coverage, recent trends in the employment insurance program have resulted in an inappropriate income support system, which actively discourages women's successful participation in the public sphere.

The Absence from Work Survey⁷⁷ (AWS) gathered data on absences from the workplace for a period of two weeks or longer for the purposes of accident, illness or maternity leave. The figures in Appendix 39 offer support for the Canadian Labour Congress claims as they provide evidence that there has been a shift in maternity benefits entitlements to women. In 1993, 88 per cent of respondents who were absent from work for the purpose of maternity leave received unemployment insurance benefits. In 1997, while the data for illness and accident UI leaves showed consistent increases, the proportion of maternity benefits had dropped to 79 per cent, a 10 per cent decline. Moreover, in 1993, 21.4 per cent of female respondents worked 20 or less hours per week, and a fairly representational 19 per cent of the part-timers who were eligible for compensation had incidences of UI maternity compensations. However, in 1997, while 20 per cent of female respondents worked 20 or less hours per week, only 15 per cent had incidences of UI maternity compensation.

The data in Appendix 40 implies a significantly declining proportion of UI maternity compensations for those respondents working 30 or less hours per week. The 1998 HRDC Employment Insurance Monitoring and Assessment Report also indicated that over the two-year period 1996-1997, special benefit claims have dropped by 2.5 per cent. Within this benefits category, maternity/parental benefits claims dropped by 1.6 per cent but more significant was the larger decline in parental-only benefits claims [24]. As women are the large majority of parental benefits claimants, this may suggest that a low replacement rate of 55 per cent may necessitate women's premature return to work. This was a major problem which was identified by the 1986 Task Force on Child Care. It revealed that a low benefits replacement rate had forced

⁷⁷ This survey is a supplement to the monthly Statistics Canada - Labour Force survey (LFS).

many women into an early return. Combining this evidence with the AWS data, it appears as though women have borne the brunt of reductions in EI compensations.

On the other hand, there is the possibility that many female part-timers who did not qualify for UI compensation, including regular benefits claimants, have chosen to temporarily exit the labour force. Often, women are lured into a false sense of security that re-entry at a later date will be unimpeded by difficulties. Combining regressive policies of stringent re-entrant rules, including the effective reinstatement of the "Magic Ten Rule" [Appendix 41], suggests that the government may very well have achieved some success with its modern version of married women's regulations.

Moreover, all special benefits claims, unlike those for regular benefits, currently require 700 hours of insurable employment irrespective of economic region. This implies that a woman in a high unemployment region is considered a 'major attachment' regular benefits claimant with 420 hours, but for maternity leave she is perceived as a 'minor attachment' claimant under 700 hours. She is disentitled from benefits even though she has contributed premiums on a 'major attachment' basis. As well, she is disadvantaged because she lives in a region where it is more difficult to gain work credits, which has long been recognized by UI regulations. This regulation is predicated on the historical stereotyping of women as another class of worker, specifically secondary earners.

Currently, only the natural mother can claim maternity benefits and for her employment interruption she is denied equal benefits on the basis of her sex. Her rights acquired as a 'major attachment' are infringed upon by a second-tier set of regulations that creates a distinction, on the basis of her pregnancy (and therefore her sex as well given the basic biological fact that only women can bear children). The distinction creates an inequality.

The Boyer Committee (1985) report used the factors of 'fear of abuse' and 'cost of benefits' as justification for the longer qualifying period for maternity benefits. However, they recommended that no distinctions be made in the qualifying period between regular and special benefits because "it created a separate, disadvantaged class of claimant" and it might be struck down under section 15 of the Charter (denial of equal benefit of the law without discrimination based on physical or mental disability) [13-14, 137].

In his discussion paper 'Equality Issues in Federal Law', the (then) Minister of Justice and Attorney General of Canada, John Crosbie, had also expressed concern that the issue would be re-opened before the courts [28]. In the subsequent Forget Commission Report (1986), its recommendations included,

S1.1 We therefore recommend that the entrance requirement for sickness and maternity benefits be brought into line with those for other benefits [and] S1.2 we further recommend that the current distinctions in entrance requirements based on regional rates of unemployment⁷⁸ and class of claimant be ended. The uniform entrance requirement should be 10 weeks for all classes of claimants [511].

This was later supported by the Task Force on Child Care (1986) [27] and the Special Committee on Childcare (1987) [86] reports.

However, the whole issue was subsequently lost amidst the debates on father's (paternity leave) and adoptive parents' rights. For the following few years, the Commons Debates relating to UI were dominated by the discourse of the disadvantaged fathers who were being denied paternity leave⁷⁹. Notwithstanding the fact that only a minority of men have ever taken advantage of the 10-week parental

⁷⁸ It should be noted that they recommended an extended benefit which was linked to 'labour market conditions', which was determined by the rate of unemployment. The recommendations were concerned with eliminating 'classes of claimants'.

⁷⁹ There were several quotes concerning inclusion of paternity leave in the Commons minutes, during the 1980s [Canada, Commons Debates (March 4 & 23, 1988); (January 21, 1988 12:151); (February 2 & 26, 1988);

period. Indeed, the issue managed to successfully detract attention from the discriminatory nature of the 20-week qualifying entry requirements for maternity benefits.

For part-timers in particular, the 700-hour rule has in effect resurrected the 'Magic Ten Rule' of 1971, which required women to work at least ten weeks around the time of conception⁸⁰. Currently, a 15-hour part-timer requires a labour force attachment of 8 weeks prior to conception in order to fulfill the 'major attachment' requirement of 700 hours. As shown in Appendix 41, this new version of the Magic Ten Rule applies to all women who work less than 23 hours per week. These women would require employment hours in varying degrees between the 31st and 50th weeks before the expected date of birth. Prior to Bill C-12 a pregnant woman could enter the labour force in her fourth month and still qualify for benefits.

It may be argued that, in the 1970s, the Magic Ten Rule was based on notions of dishonest middle-class women (rooted in the legacy of Married Women's Regulations) which were grounded in misconstrued ideas of women's weak labour force attachments and likelihood as program abusers. In the difficult modern economic climate and given a proven track record of women's strong work attachments, few could realistically argue that pregnant women secure jobs just to qualify for UI benefits. Then what would justify the resurrection of this rule?

First, all 1996 Bill C-12 restrictive measures are a blatant attempt at cost reductions. However, strategically, the regulations guarantee disentanglements which will ensure the severing of female labour market attachments and which are also directed at the second-tier, reserve army of married women with the expectation that at least a portion may exit the labour force until they are called upon at a future point in time.

⁸⁰ Many thanks to Dr. Paul Phillips for the suggestion of this idea.

While it is true that some women will simply initiate an early return to work, history has shown a reasonable track record of labour force drop-outs.

Finally, the nature of women's domestic function and limited labour market opportunities evokes inquiry about the gendered dynamic of what is deemed an appropriate definition of a 'reasonable attachment' to the labour force for the purposes of employment insurance entitlements, which policymakers have come to define by longer weekly work hours.

5.5.2 The importance of adequate maternity compensation

What is most significant about these issues is that we live in a society which values material wealth and devalues the private domain. In comparison with socialist countries, women face higher substantial losses in performing the reproductive function. This is exacerbated by the burden of their contrary treatment in social and labour market policy. In other countries, such as Sweden, maternity and paternity leave is extended for nine months at a 90 per cent income replacement rate. At the time of the early-1980s commons debates it was reported that high wage replacement levels were common in countries such as France (90 per cent), Italy (80 per cent), and West Germany (100 per cent) [Canada, Commons Debate (June 2, 1983) 25965].

Gender equality entails that women should not have to choose between work and motherhood because of the reproductive function. Motherhood often means poverty or intermittent employment, loss of training, experience and career mobility and, currently, reduced access to a wage loss replacement plan to which they contribute premiums. The 1990s have seen distorted policy measures that eroded any gains in gender equality, as the hours-based eligibility rule means that even more women are penalized by virtue of their location in the labour market, created specifically by demand

conditions in the economy, and not necessarily women's personal choices. This inequality is significant enough that it constitutes a substantial disadvantage to women in society.

Much concern has recently ensued on the health implications for women who return to work too soon. In his ruling on *Schachter v. Canada*, Justice Strayer referred to the solid expert evidence that was presented before his court. The testimony revealed that approximately 20 per cent of deliveries were by Caesarean section. Women experience physical, hormonal changes and loss of sleep. Breast-feeding is a vital element of child health goals [Canada, Dominion Law Reports 52 D.L.R.(4th) (1988) 545]. Benefits payable under Section 30 of the UI Act acknowledged that they were paid because of a woman's pregnancy and her personal health, not just to allow mothers to stay home to care for newborn children. In one Federal Court decision, it was the woman's state of pregnancy and delivery that made her eligible for benefits, not her sex [Belanger and Pilon (1992) 3]. The rules were altered later, because of various court challenges related to paternal rights, but the principles of concern for women's health were embedded in the language of the UI Act. This was confirmed in the 1985 Boyer report 'Equality For All', which noted,

There are reasons, related to the health of both the mother and child, why women are eligible for maternity benefits. Legislation must not lose sight of these concerns [11].

In the 1970s the women's movement had attempted to move away from the urgent issue of women's physical incapacity, quite simply as a strategy to deal with the inflexible rules of maternity eligibility and entitlements of the 1971 UI Act⁸¹. Given the economic insecurities of the modern era, inadequate compensation may result in shorter maternity absence periods as women confront financial constraints when their

⁸¹ Specifically the Magic Ten Rule and Section 46 of the Act.

baby is born. This issue is of vital importance to the health of visible and ethnic minority women who form disproportionately the working poor and are highly subjected to benefits disenfranchisement.

The 1986 Report of the Task force on Child Care reported that women who earned \$23,920⁸² (or less) in 1985, received a replacement income (spread-out over the 17-week period, the first two weeks of which is unpaid) of 53 percent of their earnings [28]. This was at a replacement rate of 60 per cent, which has since been reduced to 55 per cent. Therefore, the 'real' replacement rate is currently 48.5 per cent over the 17-week period. They are disproportionately disqualified because of the biologically-determined reproductive function, which filters into labour market inequities. It may be compatible with more recent goals of a free market and competitive economy unhampered by state intervention, but it is incongruent with gender equality issues. It also reinforces the traditional gendered division of labour by limiting women's options and enhancing the corporate financial incentives that favour part-time, low-wage work.

5.6.1 Employment insurance benefits and poverty: the relationship between EI/UI and social assistance

Employment insurance and social assistance have become the two most important elements of the social safety net for working-age individuals. Although the programs were designed to serve a much different clientele, a few studies have revealed a growing trend of increasing reliance on social assistance by individuals with high employability and firm labour market attachments. While it is true that both programs serve income replacement goals, the employment insurance program better

⁸² This was approximately the average female wage in 1985.

serves the social goal of reinforcing a high work ethic in Canadian society.

This idea has been promoted by HRDC, which has stated "Tightening the link between work and income benefits will help people get back to work as quickly as possible...". In reference to the newly-introduced employment benefits, the government suggested, "In the longer term, a proactive approach will reduce the number of structurally unemployed, leading to savings for both EI and provincial social assistance programs". HRDC estimated that employment benefits which targeted job creation measures would extend the eligibility criteria to 45 percent of social assistance cases [HRDC. Library of Parliament (1996) 184].

These statements imply that the first principle of labour market policy has been to maintain the link of workforce attachments as a crucial element to fostering a culture of wage-earning rewards. In its "From Unemployment Insurance to Employment Insurance" (1994) report, the government outlined the primary objectives for the unemployment insurance program, as follows,

to provide temporary income replacement for insured unemployed workers and to help them return to stable employment ...[and] The program plays the central role in providing income during unemployment by avoiding or postponing the need to resort to other measures such as social assistance and by giving people the opportunity to find re-employment [HRDC (1994) 13-14].

Earlier in this thesis, the historical review established the social consequences of provincially or municipally-based welfare systems, as well as the need for this essential social service to be national, contributory and income-related in order to ensure a reasonable standard of living and to support aggregate demand in the economy. Countless studies and reports throughout the past five decades have concluded that UI lightens the burden on provincial-municipal welfare programs and mitigates the humiliation and degradation of the 'welfare trap'. Moreover, the UI plan

was designed and developed to eventually cover a large proportion of the labour force so as to minimize the need for social assistance.

The Canadian Council on Social Development also maintains that a social security program should support "A system that maintains income security and stability, one that does not require individuals to 'hit bottom' before intervening. Put another way, one that prevents poverty rather than simply responds to it" [(1996) Introduction]. We may conclude from these statements and the foregoing historical analysis that social assistance represents 'hitting bottom' and it stands in contrast to Canadian socio-cultural goals. We may also conclude that most stakeholders agree that effective labour market policy should accomplish these goals.

A few studies on the overlap between employment insurance and social assistance were published in 1995, by HRDC and by the Canadian Council on Social Development (CCSD). The problem of overlap has been exacerbated since the government stepped-up its cost-cutting policy measures in the early 1990s. Their key findings amply demonstrate an overlap between the federal employment insurance program and welfare assistance which falls under provincial or municipal jurisdiction.

In the early-1990s, following the restrictive UI policy measures, the Canadian unemployment rate rose from 8.1 per cent in 1990 to over 10 per cent in 1994 due to a recession. The CCSD report determined that the proportion of unemployed who were eligible for UI coverage had fallen from 70 to 60 per cent while the proportion of the population who were on social assistance had actually increased from 7 to 10 per cent during this same period [CCSD (1996) 34-35].

A second study addressed the effects of the 1993 Bill C-113 policy changes on welfare incidence and re-employment. It found that social assistance has been a substitute program for the restrictive UI changes. The changes in 1993 disintegrated

claimants who had voluntarily quit their jobs or had been dismissed with cause. These individuals had often no immediate re-employment success and provincial welfare records indicated very similar patterns as those reported by CCSD. The researchers noted:

...welfare take-up rises by about the same amount that UI take-up falls, thus mitigating both the incentive and income-distributional effects of the UI disentanglement this suggests that UI and welfare may be fairly close substitutes, and that estimates of the effects of further cutting the UI program on provincial welfare expenditures need to take this into account [Browning, Jones, Kuhn (1995) 7-9].

These results were confirmed by Osberg and Phipps' (1995) simulation model, in which they concluded that there would be a significant rise in the poverty rate as a result of increasing UI entrance requirements [35-36]. This aspect of Bill C-113 formed a particularly dramatic policy that created the immediate severing of labour market attachments.

The severity of the 1990-92 recession was reflected in patterns of substantial increases in the average duration of the UI claim period which subsequently resulted in high levels of benefits exhaustion. This shifted the reliance on UI income support to many of the provincial/municipal welfare programs. In British Columbia, the UI and social assistance overlap increased from 6.6 per cent in 1986 to 9.8 per cent in 1989 and to 15.1 per cent in 1992. A key finding is that the substantial 1989 to 1992 increase was potentially attributed to restrictive UI regulation changes in the early 1990s. A rising overlap was occurring prior to the early 1990s recession but its magnitude was intensified during this recession [Barrett et al (1996) 23].

These studies emphasize the previously noted idea that there already exists too much diversity in the existing welfare programs of the provinces and their municipalities with highly uneven impacts on individuals across economic regions. Provincial jurisdiction over aid to the unemployed has potential for creating a multitiered and

widely varying system of social security. This construct fails to deal with macroeconomic stabilization obstacles that plague the Canadian economy. It also does not provide the redistributive instruments or measures that are necessary for combating regional disparities and for protecting the low-wage earner.

What follows are some of the key impacts of lowered eligibility in access to the employment insurance program.

First, more families will be poor as they are forced to rely on the inadequate support of social assistance. UI is an extremely important poverty-alleviating measure in this country, even though this may not be a directly stated goal of the plan. It is estimated that 43 per cent of Canadian households who experience unemployment will be poor without access to UI benefits, compared to only 14 per cent who experience poverty while receiving UI benefits [Osberg and Phipps (1995) 35,47-48,51]. Moreover, as was shown earlier, the B/U ratio had declined dramatically during the past decade, which implies a significant vulnerability of Canadians to increased poverty occurrence.

Second, more families will suffer the indignity of not being able to support a minimally acceptable lifestyle in the event of unemployment. Many Canadian households (particularly those more vulnerable to unemployment) do not have the accumulated savings that would be necessary to finance a period of unemployment [Osberg and Phipps (1995) 58]. In terms of relative positions of workers in the labour market, policy revisions do cross class lines. There is a differential impact on demographic groups, which results in increased inequality in the distribution of income within the Canadian economy.

Third, the reliance on social assistance lowers workforce attachments by exacerbating the problem of mismatched skills required by employers and those held by the unemployed, which is a type of self-perpetuating structural unemployment.

Governments must proceed very cautiously on the long road to policy changes, as any subsequent attempts to reverse a policy will not necessarily restore the economy to its previous state. For example, workers and families on a cycle of social assistance have even less chance of gaining marketable skills, on-the-job-training, and even developing daily habits of getting to a job on time. When women are forced into a state of dependency on male relatives or the government, this perpetuates dependency and weak labour market attachments in the long term.

Fourth, it dampens aggregate demand in the economy. The earlier section delved into this issue and noted that the EI program remains a crucial component of the nation's economic stabilization and labour market adjustment programs.

5.6.2 The lag effects of recession as a catalyst to growing EI/Social Assistance program caseloads

The reality of recent recessions is such that the labour market inadequately serves the needs of a growing number of workers, particularly in providing enough jobs at decent wages. Mounting evidence reveals a significant correlation between the severity of the business cycle and the cyclical nature of employment insurance program use. However, what has emerged is the more pressing problem of a longer run dynamic lag effect of labour market shocks⁸³ that has led to progressively rising structural unemployment and a subsequent upsurge of EI/SA program caseloads even during periods of economic growth. This was evident during the 1986-89 upswing of the business cycle whereby the two programs exhibited increasing overlap despite a

⁸³ Labour market shocks range from demographic factors, such as the growth in female participation rates; rapid changes in technology; skills changes that eliminate jobs or require extensive re-training; and hysteresis effects of skill loss when workers are unemployed – whereby temporary shocks lead to more permanent effects .

reasonably healthy economy. As noted earlier, this was also reflected in the declining B/U ratio.

Provincial welfare records have indicated that a higher number of individuals are using the welfare system but for shorter periods of time, which is an indicator that the UI 'exhausted benefits' group is being pushed onto the shorter-term welfare [Barrett et al. (1996) 35] or that these people are being disqualified at the entry point. Human Resources Development Canada has also confirmed that since the mid-1970s workers have experienced longer average spells of unemployment (almost twice as long). Those citizens unemployed for over a year represented only 4 per cent of the unemployed in 1976 while this same caseload had grown to 14 per cent in 1994 [HRDC (1994) 10-11].

Despite restrictive measures to the UI safety net since the mid-1970s, the weekly number of beneficiaries continued to grow: from .7 to 1.4 million (1976 to 1992); expenditures increased six-fold since 1970. Similar trends in rising program costs were exhibited with welfare assistance, as the number of recipients increased from 6 per cent of the population in 1968 to approximately 10 per cent of the population in 1992. For both programs, there were significant increases in the caseloads during the 1980-81 and 1990-92 recessions, with no major decline in the following years of healthy economic growth [Barrett et al. (1996) 12-13]. Although the early-1990s recession can be blamed for the rising load of welfare cases, an upward trend was already occurring prior to this period, which has been attributed to a dynamic lag effect from the 1974-75 and 1981-82 recessions [Barrett et al. (1996) 20].

Gender data pertaining to the overlap of EI with social assistance are limited. Although, over the past 25 years, women's unemployment rates have exceeded those of men for all but the last four years [Appendix 42]. Policy also has the potential for

exacerbating the 'hysteresis' effect, which refers to erosion of valuable human capital skills and training resulting from persistent short-run unemployment. It leads to a permanent increase in structural unemployment. These lagged adjustment effects of policy decisions can be extremely costly to an economy's output and human resources. When women are forced into a state of dependency on male relatives because of benefits disentanglement, unemployment hysteresis may cause very rapid human capital disinvestment behavioral changes. This perpetuates dependency and weak labour market attachments in the long term.

5.6.3 The justification for preserving a federalized program

The off-loading of federal responsibility for income replacement onto the provincial welfare assistance programs is economically inefficient and socially inequitable. This was the experience of the 1930s which would lead to the development of the national UI scheme. At that time, the harshness and inadequacies of coping with the unemployed discredited the hybrid, uncoordinated and bureaucratic provincial/municipal programs which provided demeaning relief for largely 'unmet' human needs. This was coupled with heavy costs and widespread provincial and municipal insolvency. With recent program changes, there is mounting evidence that the UI scheme is not only being weakened by progressively restricting it in order to build up a huge surplus position [Canadian Labour Congress (1998)], but also that these restrictions are shifting responsibility for social security away from insurance and onto the 'dole' with resulting negative consequences for work incentives - in short, a return to the system of the 1930s. As Struthers (1983) pointed out [referring to seasonal benefits], those who needed the benefits, were excluded, 'on the grounds that their occupations fell beyond the bounds of acceptable 'actuarial risk' [213]. During

the 1940s, this was reflected in the huge build-up of a UI surplus position within a short period of time. As noted earlier, in the contemporary labour market non-standard work is the equivalent of seasonal work patterns of the 1940s and 1950s.

The Income Security and Social Services (1969) document identified some of the issues in favour of keeping the program within federal jurisdiction::

It is generally accepted that general unemployment is the product of a complexity of economic forces which are national and international in character. It rarely can be said to be the consequences of purely local forces. Moreover, the provincial and local governments cannot by themselves bring under control the forces that cause unemployment; to do so requires the full panoply of economic powers associated with a nation – fiscal, monetary, debt management, trade and balance of payments policies, and indeed selective economic measures [and] The second reason for federal jurisdiction in this area lies in the uneven costs of unemployment insurance, as between the provinces. Certain provinces suffer from higher levels of unemployment than do others, with the result that payments in these provinces tend to be relatively higher, and contributions to the unemployment fund from them tend to be relatively lower. [Canada. White Paper (1970) 7]

In the contemporary economy, it is essential to continue to enlist workers in a proactive scheme which recognizes the national macroeconomic and industrial causes of unemployment that are beyond the control and financial feasibility of the provinces or the employable citizenry. This was the central message of the 1940s Rowell-Sirois report, Cassidy, and Marsh reports, which argued that the provincial relief programming of the 1930s fell short of their moral obligations to workers.

The 1987 Special Committee on Childcare reported that the numbers of poor two-parent families with preschool children, exceeded poor lone-parent families by one and a half times [28]. What has also been documented is the fact that, in the modern economy, when males are sole-earners, household well-being declines (compared with dual-income families), as 24.4 per cent of children then live in low-income

circumstances⁸⁴. This evidence establishes the importance of a framework of dual-earner families within the economic structure of recent years. It also establishes the disproportionate disadvantage to those who are unattached, whether young or elderly or single-parent families. By 1981, this group made up 67 per cent of the lowest income groups [Statistics Canada (1984) 15]. In 1971 the (then) Minister of Labour, Bryce Mackasey, argued in the House of Commons,

...we should realize it is a sad commentary that at least one million women in the Canadian work force are in it not because they want to buy a second automobile or a coloured television set but because their income means the difference between poverty and survival [Canada, Commons Debates (April 19, 1971) 5039].

He also argued that it was essential to increase the benefits to a reasonable level, because unemployed families were finding it necessary to access both UI and social assistance benefits due to the inadequacy of the pre-1971 replacement rate [Canada, Commons Debates (April 19, 1971) 5039].

This was later substantiated by The Canadian Council on Welfare's 1981 estimate that poverty in Canadian families would increase by 60 per cent, if all women in dual-earning families quit working in paid labour [Canada, Commons Debates (June 2, 1983) 25966].

5.6.4 Employment Insurance and Welfare Benefits: Recent Trends and Comparisons with the Poverty Line

Recent studies reveal a trend of increasing reliance on social assistance by individuals with high employability and labour market attachments [Barrett et al (1996)

⁸⁴ 33 per cent of children where the wife was the sole earner.

7,34]. Appendices 43, 44 & 45⁸⁵ demonstrate three major trends that have vital implications for the use of a redistributive device, such as the employment insurance scheme, as opposed to off-loading unemployment relief as a matter of provincial and municipal concern.

1. In Manitoba, there is evidence of declining social assistance, as a percentage of the poverty line, for all demographic groups who access the program [Appendix 43]. This supports the notion of the gross inadequacy of provincial and municipal relief programs.
2. There has been a declining ratio of average male UI benefits to the poverty line [Appendix 43]. In 1996 an unemployed unattached male who was forced onto social assistance received benefits at a level of approximately one-third of UI. As a married sole-earner, with two children, welfare benefits provided an income of 48 per cent of the poverty line, as opposed to 56 per cent with UI.
3. Analysis of Statistics Canada data illustrates a steady improvement since 1986 in the annual incomes of one-earner, female lone-parent families. For these women, the largest portion may be attributed to earnings. However, combined with redistributive instruments such as the federal child tax and GST credits, their relative income positions have substantially increased. Since 1980 the average income for this group

⁸⁵ Methodology used by the National Council on Welfare: 1996 Poverty Lines (LICO's) were used for three demographic groups:

1. Coupled families, with two children - \$31,862
2. Single-Parent, one child households - \$21,769
3. Unattached individuals - \$16,061

For the years 1986 to 1996, the National Council welfare benefit levels were used, which included provincial tax credits (Manitoba) where applicable. Excluded were GST or child tax credits.

Canadian male/female average earnings were retrieved from the Statistics Canada publication "Earnings of Men and Women, 1996". Male/female potential average UI benefits were calculated based on prevailing benefits replacement rates in each period.

All figures are based on 1996 constant dollars (in purchasing power terms); therefore the 1996 LICO poverty lines were used as a comparative base for all years (the figures for all other years were adjusted to the 1996 standard of living), in order to compare trends in wages and welfare benefits.

of women has increased by 15.9 per cent, while it has only increased by 1.9 per cent for male lone-parent families. For dual-earner families with children, joint annual incomes increased by 5.7 per cent during this period⁸⁶ [Statistics Canada (1998) 16-17]. Recent evidence demonstrates a growing divergent pattern of incomes between women who collect welfare benefits and those who have labour market earnings that are supplemented with federal transfers [Appendix 45]. For this particular demographic group, Manitoba welfare benefits have declined from 49 to 44.3 per cent of the poverty line since 1986 [Appendix 44 & 45].

These facts, combined with the presumption that women are at higher risk for unemployment because of occupational segregation in non-standard work arrangements, amply demonstrate the earlier contention that for lone-parent women, maintaining the link of workforce attachments by using EI as a form of transfer payment coupled with child benefits has been a crucial anti-poverty tool. It is also the catalyst to fostering the government's goal of creating a more self-sufficient society. Reducing women's access to employment insurance benefits simply places them, along with their children, on the vicious cycle of social assistance where they have even less chance of gaining marketable skills and on-the-job-training.

In the long run, policy that severs labour market attachments sustains women in dependency relationships, whether on male relatives or on the state (the costs of which are eventually borne by the taxpaying public). It may prove to be extremely costly to an economy's output and productive human resources. Regressive social security policy hinders women's equality of opportunity, along with a reasonably basic income during work interruptions.

⁸⁶ All figures are in 1996 constant dollars.

Despite weak economic growth, average female earnings have increased by 14.5 per cent since 1986, resulting in higher UI benefits as a percentage of the poverty line [shown in Appendix 43]. This provides further justification for maintaining women in strong labour force attachments and avoiding a deterioration of the gains made in recent decades. It also establishes the crucial importance of the higher employment insurance benefits to family economic security.

An opposite trend has arisen with male UI benefits, particularly as a result of declining benefits replacement rate [Appendix 43]. The average male wage had increased slightly (approximately 1.5 per cent) from 1986 to 1996. However, the offsetting reduction in the income replacement level has rendered men lower levels of benefits during UI spells.

Provincial social assistance falls gravely short as a public service of reasonable quality. Recent trends clarify the need for EI's central role in the income security framework to promote the achievement of this fundamental objective.

5.7 Concluding observations

This chapter identified a long-standing goal of the framers of the UI scheme, which has been to recognize the changing nature of work. The B/U ratio has been an essential measure of the effectiveness of the program. However, the empirical evidence leads to the conclusion that many married women who work part-time or who take time off for reproductive work are most likely those workers who have been disqualified as EI beneficiaries. This has implications for the economic status of the family unit which relies on women's earnings. For women and the many sole-supporting unemployed who face disqualifications or lower income replacement, they may be disproportionately steered into lower-paying jobs out of financial desperation. This

could also undermine their future personal disposable income levels and labour market opportunities. Inadequate income maintenance does not allow for a more extensive job search process and it promotes the rise of an underemployed workforce.

Paradoxically, the identical incentive instruments that have been designed by HRDC to feed directly into the young male crisis may have also decreased married women's work incentives in paid labour force activities. The empirical evidence on maternity benefits which was retrieved from the Work Absences Study also reflected the historical hierarchies of disadvantage that shape married women's labour force attachments. Naturally, what follows any system that negatively affects non-standard work is significant reductions in the equality of opportunities for women. The evidence revealed policy inadequacies from a socio-economic viewpoint because of the deteriorating skills and training that women experience when they are forced into weak labour market attachments.

The Employment Insurance system appears to have recreated an institutional setting that restores women's subordinate roles as members of families and society. This thesis concludes that government policymakers are prepared to accept the net consequences of long-term negative social returns because the part-time or non-standard Canadian married female worker is, perhaps temporarily, no longer perceived as a vital national asset.

Finally, the earlier historical section demonstrated that the UI program was the central means of acknowledging the high social costs of labour market adjustments as well as preserving the dignity of individuals. This was accomplished by warding off the devastating effects of having to resort to welfare relief and other forms of charity or dependence. It was also to provide an income stream during job search or retraining as a part of the objective of maintaining access, equality of opportunity and redistributive

equity. The foregoing sections on overlap of UI/EI and social assistance have provided evidence that policy may have fallen short of these objectives in not taking into account changes in the family and emerging labour market structures.

Chapter 6: Conclusion

6.1 UI/EI - 1940 to 1999: a reflection of labour market changes?

This thesis began with a summary of the UI legislative changes between 1940 and 1970. During this period, the program was expanding to become more inclusive of many occupations and industries. Earlier in this thesis, the historical section noted that, when the UI Act was first introduced, it was designed for a male, industrial labour force and one-earner families. However, the subsequent growth of two-earner families and the growing relative importance of women's financial contributions to the economic security of families eventually necessitated the introduction of a maternity benefits plan.

Subsequently, the period 1971-1989 was one of slow contraction of the UI program, although the effects of 'tweaking' the UI system had not resulted in any observable labour market or even gendered effects at that point.

However, by the 1980s significant changes were beginning to occur in the labour market. Non-standard work had grown as a primary restructuring objective for employers who needed to create a flexible workforce for variations in their business needs. A shift from seasonal and permanent full-time work to part-time or contract work arrangements became permanent characteristics of a large segment of the employed labour force. The emergence of this type of employment also signified much larger changes in a market-driven economy that has also taken on post-industrial structural adjustments through the growth of the services sector. Industry and government strategizing around employment flexibility, and the need for inexpensive sources of labour, have increased non-standard work patterns. This has been reflected in the nature of female economic activity. However, it has also influenced society's demands on the government policy apparatus because of the short tenure of these types of jobs.

While the 1971 UI Act was a milestone in UI reform that reduced inequitable gender outcomes, the 1980s and 1990s marked the escalating intensity of cost-cutting measures and, as some critics argue, a feminized social dilemma. Since 1990 the major contraction of the employment insurance program has been much less harmonized with the realities of the labour market. Employment insurance policy has been weakened at a time when increased flexibility is required because of adjustments in the economy, over which the individual worker has very little control. In their reactions to increasing program costs and the goal of accumulating a large surplus in the EI account, HRDC policymakers have demonstrated an apathetic position to a continued support of family policy. These were identified problems in the early stages of the 1940s scheme which mandated appropriate counterbalancing in the provision of adequate benefits, in order to escape the fragmented sphere and stigmatization of provincial welfare relief.

6.2 The gender implications of neo-liberalism

Pulkingham (1998) argued that the program has become more 'masculinized' because workers who do not fit the male ideal of a full-time full-year pattern are deemed 'unworthy' of benefits. On the basis of this narrow type of exclusion it is a gender-neutral policy. She also argued that "Women, whose labour force participation does not conform to the full-time full-year ideal, are simply one category among a number of others who stand to lose through diminished EI entitlements/eligibility" [37].

As was shown in the previous chapter, this is not entirely accurate as second-tier married mothers are the category of potential beneficiaries who stand to lose the most in the long-run. The foregoing aimed to demonstrate that the 'self-sufficiency' and 'accountability' culture which the program currently promotes may not be directed at

married women. The dependency discourse is an attempt to foster a work ethic which is rooted in a long historical tradition, directed at young males and to some degree, female-lone parents, as well as to other marginalized workers who have been victims of economic restructuring.

According to Pulkingham (1998) post-Fordist development suggests that women are now excluded because of their status as 'workers', not as 'dependents on males'. For example, all they have to do is increase their hours [36]. As illustrated in this work, the re-entrants rule has differential impacts in the discriminating labour market in which contrasting gender experiences are encountered in the post-Fordist environment. Exclusions are also rooted in historically-based, gendered work patterns.

Where married women are concerned, the state has a vested economic interest in the reinstatement of the 'feminized dependency of the Fordist state'. When a segment of the female labour force is 'expelled' in a period of labour surplus, this relieves the pressure of competing interests on a tight fiscal purse. It is also related to the government's primary objective of accumulating a substantial surplus position in the EI program. This is the inherent advantage in ensuring that women can not possibly live up to the admirably rewarded, full-time full-year ideal. The evidence is in the claw-back of maternity benefits after decades of progressive pro-family policy measures; a stringent re-entrants rule that promotes the 'discouraged worker' syndrome in an environment of technological revolution and fast-paced changes; rapid benefits exhaustion by virtue of women's labour market segregation in non-standard work arrangements; and complete exclusion as the most marginalized of all self-employed workers.

If married women were now being 'defined as employable', as Pulkingham (1998) suggests [37], then this should be reflected, as in the past, in labour market

policy that acknowledges the socio-cultural factors which facilitate and encourage their attachments. She suggests that the employment insurance program is reversing itself to a 1940s Fordist, full-time full-year masculinized ideal. However, as was shown in the earlier historical section, full-time full-year was the 'ideal' for a very short period only. The scheme's rapid development was predicated on any arrangement that represented the 'ideal male labour work pattern' whether full-time full-year, or not. For example, due to pressures to provide benefits to the large number of men in the primary industries the extension of coverage to seasonal workers was prioritized during the first few decades. By today's standards these seasonal workers would be considered to have a weak labour force attachment. In the contemporary labour market, non-standard work is the equivalent of seasonal work patterns back in the 1940s. Today, 60 per cent of workers are employed full-time and full-year. This implies that 40 per cent are non-standard workers, no different than the 35 per cent of seasonal workers in the early 1940s [Marshall (1999) 18; Marsh (1983)]. The difference for policy purposes is that the majority of non-standard workers are 'women'. The other group are young people who encounter social conventions that are inclined to support the imposition of disciplinary measures aimed at fostering their 'work ethic'. They have long been the 'undeserving employables'.

Moreover, Pulkingham (1998) suggests that seasonal workers, as a result of not measuring up to the full-time full-year ideal, have also been penalized heavily under EI reform, through the new 'intensity' rules which are directed at frequent claimants. This implies a disfavouring of predominantly male workers. However, according to HRDC (1998) the average weekly benefits of those affected dropped a mere \$6 as a result of this rule [(December 18, 1998) 4].

This thesis concludes that few men have been drawn into the 'feminized' link to second-track benefits provisions. As argued by Struthers (1983) the program was designed to 'mirror' the labour market [212]. Even though the labour market has deteriorated for males, very few men over age 25 are in employment circumstances that are excluded from the EI program of the modern era. Stringent policy is directed at women just by virtue of their social roles, in particular reproductive work, which translate into labour market outcomes.

Two factors have disadvantaged males, the second of which is reflected in the low male B/U ratio. First, the low earnings replacement rate has been exacerbated by the fact that male wages have declined relative to female wages. However, the empirical evidence in Chapter 5 revealed that employment insurance benefits based on average male earnings are at 1.104 times the 1996 Statistics Canada low-income cut-off levels, as compared with .716 for female earnings [Appendix 43]. The fact is that 94 per cent of participating males (over age 25) in the labour force continue to enjoy the privileges created by the full-time work to which the EI program caters. On average, women still only earn 70 per cent of the male wage, and usually in the secondary labour market. Naturally, they are disadvantaged by stiffened program income replacement rates. Higher wages render males adequate benefits levels that more easily defray nondeferrable living expenses.

Second, the low male B/U ratio is related to crisis in male youth unemployment, which is the only significant group of males to which the dependency discourse has been extended. However, this had always been their experience in the Canadian labour market, even in the 1940s and 1950s. Policymakers are currently forced to deal with large numbers of unemployed, able-bodied young males, not unlike the circumstances of the Great Depression.

This thesis also concludes that the employment insurance discourse of self-sufficiency and accountability is analogous to the graded-rate versus flat-benefits decision in the design of the 1940 UI Act. The graded-rate system was the product of a deliberate choice that was made to devalue a certain segment of the labour force under the guise of 'equality and equity'.

The dependency discourse in the current employment insurance scheme, which suggests that 'all' workers are treated alike and must submit to a 'work ethic' of the full-time full-year ideal, may disguise the intentionally-engineered competition between a segment of the married female workforce and the young male population. Moreover, in the modern period a large segment of feminine work is of a non-standard nature. It continues to be a deprioritized element in policy, as it had been in the early UI Act's treatment of female occupations such as teachers, domestics, and private nurses. The recent neo-liberal policy agenda may have successfully contrived a newly-sanctioned legislative environment of married women's regulations under the guise of actuarial principles.

6.3. The policy implications for gender equality: a retrogression to dependent status?

While the harsh realities of the Great Depression induced the male provider's crisis, what has emerged in recent decades is a majority of females as lifetime wage earners who require a similar right status in the adequate provision of income security.

This thesis has provided substantial evidence which demonstrates the following key points. First, policy changes of Bill C-12, which retracted progressive maternity and other regular benefits, has undermined the degree of economic independence for women by further re-enforcing the gendered division of labour. The fact is that only

women bear children. As clearly illustrated in the 1968 survey of maternity leave policies, child-bearing is a form of market failure requiring the government's role in countering its related inequities. The employment insurance system's credibility and legitimacy depends on this, because it shapes the climate for social and economic relationships. It is an institution that has the ability to ease the personal cost to women in a number of ways.

First, it provides the appropriate mechanism which facilitates the integration of motherhood with employment. Any absence of solid family policy will reverse the gains that have been made in the equality of the sharing of domestic reproductive work.

Second, inadequate income support makes women economically dependent on men, risking the threat of power differentials among family members due to shifting income differentials. The basic assumption of altruistic and cooperative households is unreasonably naïve. It ignores the historic complexities of gender dependency and power relations which are detrimental to the status of women and relevant to their economic conditions. These are long-standing ideas that were taken up by economists such as John Stuart Mill (Harriet Taylor)⁸⁷ in his/her 19th century 'Enfranchisement of Women' where s/he argued that inegalitarian relationships in the institution of marriage is degrading to women, corruptive to men and destroying respectful relationships. They argued that "physical force is the basic origin of such a caste system" [Bodkin (1999) 50 1999].

Third, there is a high probability that women will leave the labour force because, even if men wish to take on greater parenting responsibilities, they face financial obstacles that impede this decision. In addition to social conventions, women's

⁸⁷ John Stuart Mill had acknowledged that his life companion, Harriet Taylor, coauthored much of his written work on the political economy of women's rights. However, she was never given scholarly credit in recognition of her work.

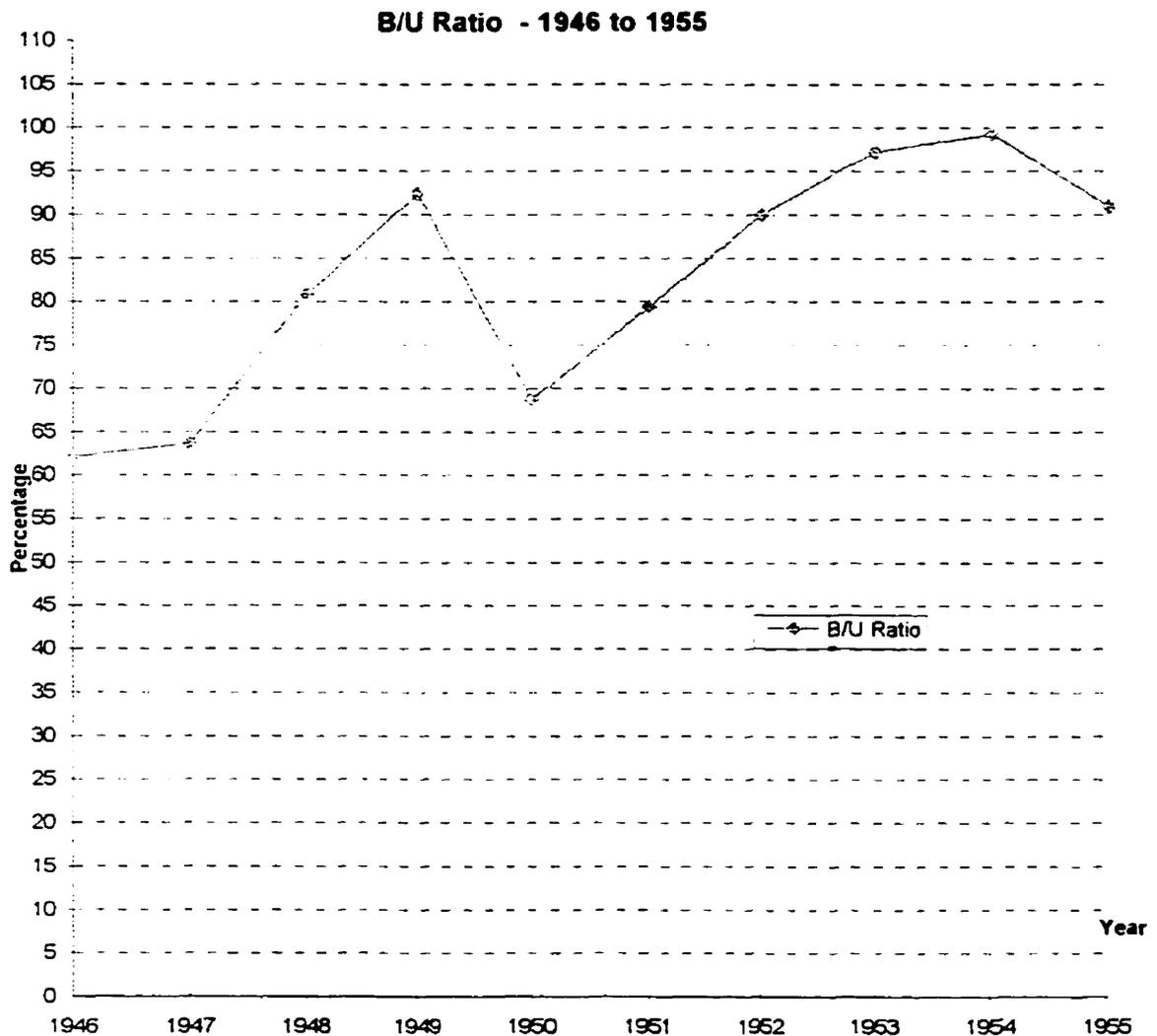
temporary departure from the labour market for maternity leave or child-rearing work is most often essential to economic stability of the family, in particular, because there are still higher opportunity costs associated with the loss of the usually higher male wage. Many families have taken on working-poor status, as economic stagnation has resulted in declining real wages. Therefore, income security must be considered within the framework of systemic labour market disadvantages and their implications on household decisions.

Finally, protective labour market policies are only as valuable as they are likely to provide opportunities for marginalized groups to gain equal advantages in the labour market. Recent policy measures require some rethinking in the light of emerging macroeconomic conditions and their relationship to the narrower micro inequities of relative pay structures, occupational mobility and gender integration into the strategy of the policy framework.

APPENDICES

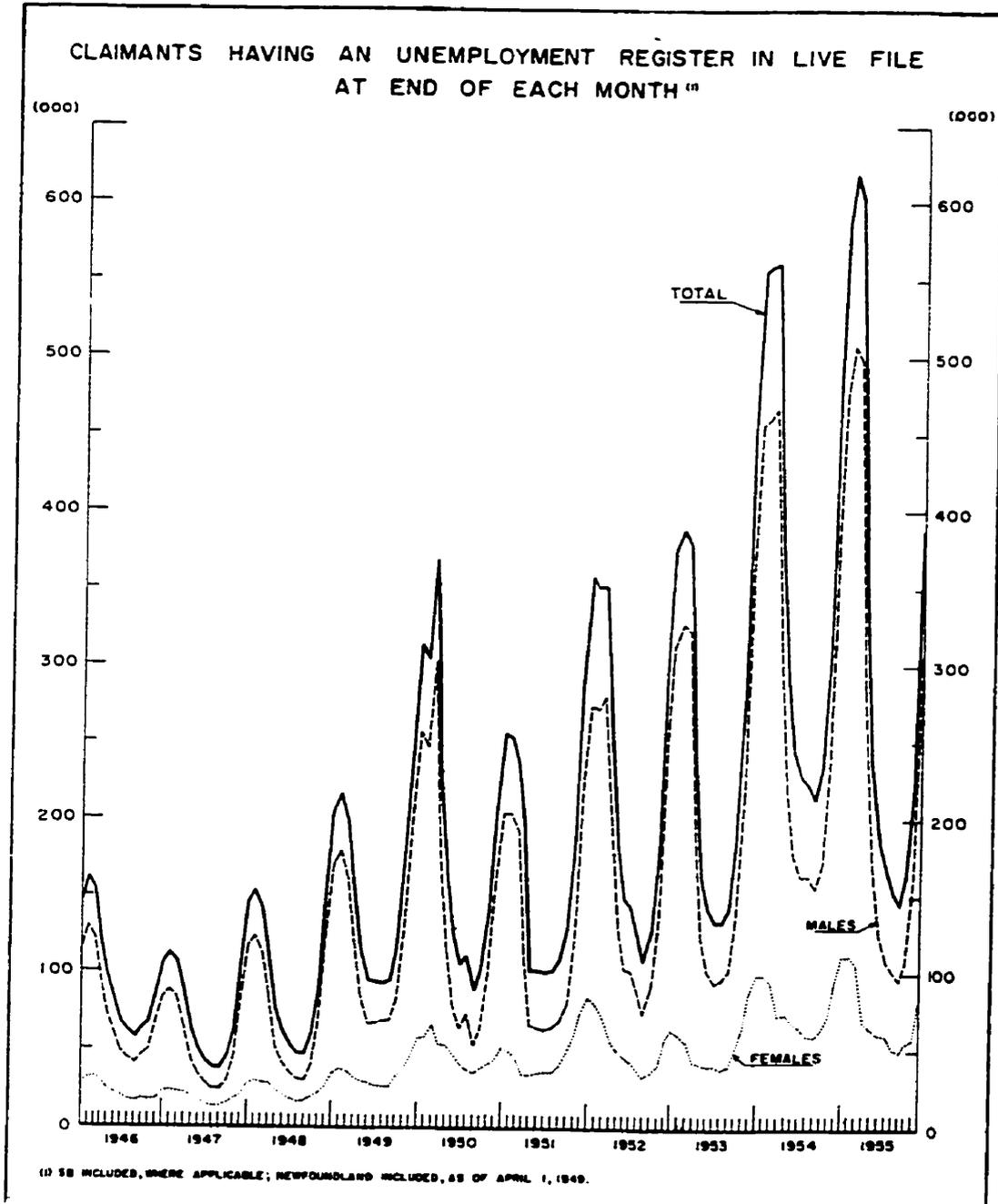
**Appendix 1: Beneficiaries to Unemployment Ratio (B/U Ratio):
1946 to 1955, average monthly data**

Year	Beneficiaries (monthly)	Unemployed	B/U Ratio
1946	101255	163000	62.1
1947	70060	110000	63.7
1948	92182	114000	80.9
1949	130345	141000	92.4
1950	127915	186000	68.8
1951	100109	126000	79.5
1952	139473	155000	90.0
1953	157484	162000	97.2
1954	248121	250000	99.2
1955	222785	245000	90.9



Source: Dominion Bureau of Statistics. 1957. Unemployment Insurance Claims 1946-1955. Ottawa: Minister of Trade and Commerce.
 Statistics Canada: Historical Labour Force Statistics 71-201

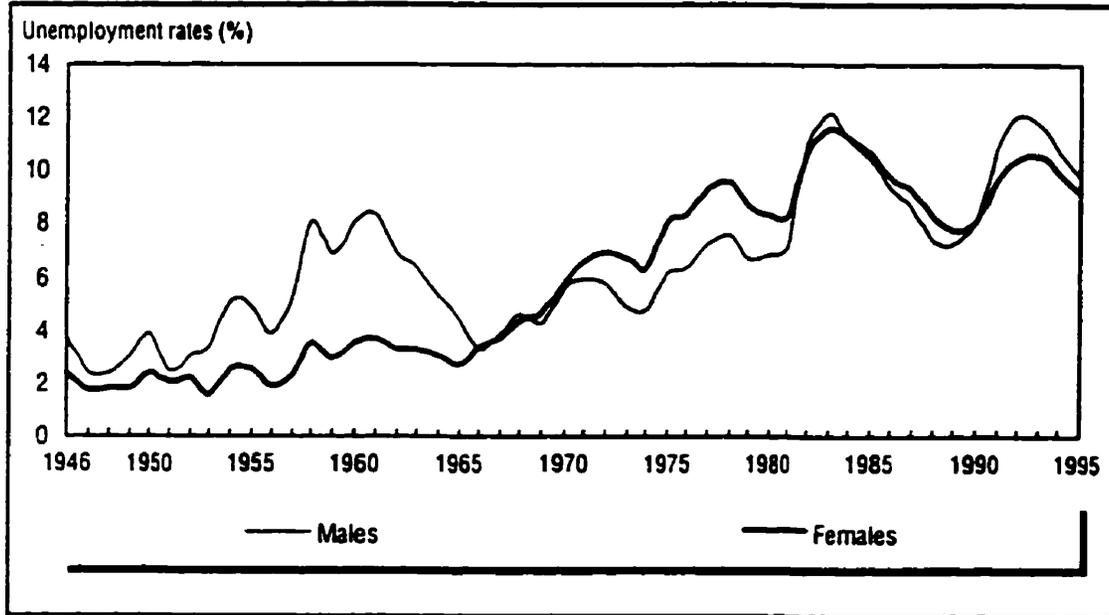
APPENDIX 2



Source: Dominion Bureau of Statistics. Labour and Prices Division. Unemployment Insurance Section. 1957. **Unemployment Insurance Claims. 1946-1955.** Reference Paper No.78. Ottawa: Minister of Trade and Commerce.

APPENDIX 3

UNEMPLOYMENT RATES, FEMALES AND MALES, CANADA, 1946 TO 1995

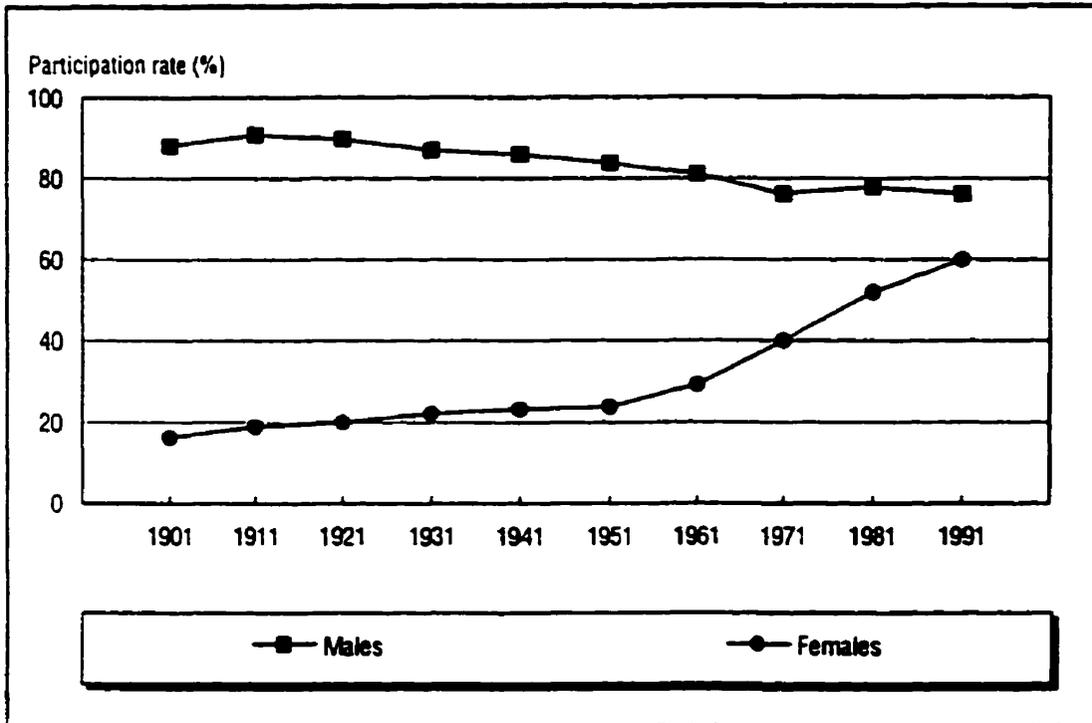


Source: Special data request, Statistics Canada, Household Surveys Division.

Source: Gunderson, Morley. 1998. **Women and The Canadian Labour Market: Transitions Towards the Future**. Scarborough, Ontario: International Thomson Publishing.

APPENDIX 4

PARTICIPATION RATES¹ OF MALES AND FEMALES, 1901 TO 1991



1. Participation rate includes workers aged 14+ for the years 1901 to 1961, and 15+ thereafter.

Sources: Census of Canada, 1991; Gunderson and Riddell 1993.

Source: Gunderson, Morley. 1998. **Women and The Canadian Labour Market: Transitions Towards the Future**. Scarborough, Ontario: International Thomson Publishing.

APPENDIX 5 - MARITAL STATUS OF WOMEN IN THE LABOUR FORCE

	<u>1931</u>	<u>1941</u>	<u>1951</u>	<u>1961</u>	<u>1966</u>	<u>1971</u>
Single	80.7	79.9	62.1	42.5	38.8	34.4
Married	10.0	12.7	30.0	47.3	52.1	56.7
Other	9.2	7.4	7.9	10.2	9.2	9.0

Sources: Women's Bureau 1970, Tables 8, 11.
 Women's Bureau, Facts and Figures, 1971., Table 10.

MARRIED FEMALE POPULATION BY AGE GROUP

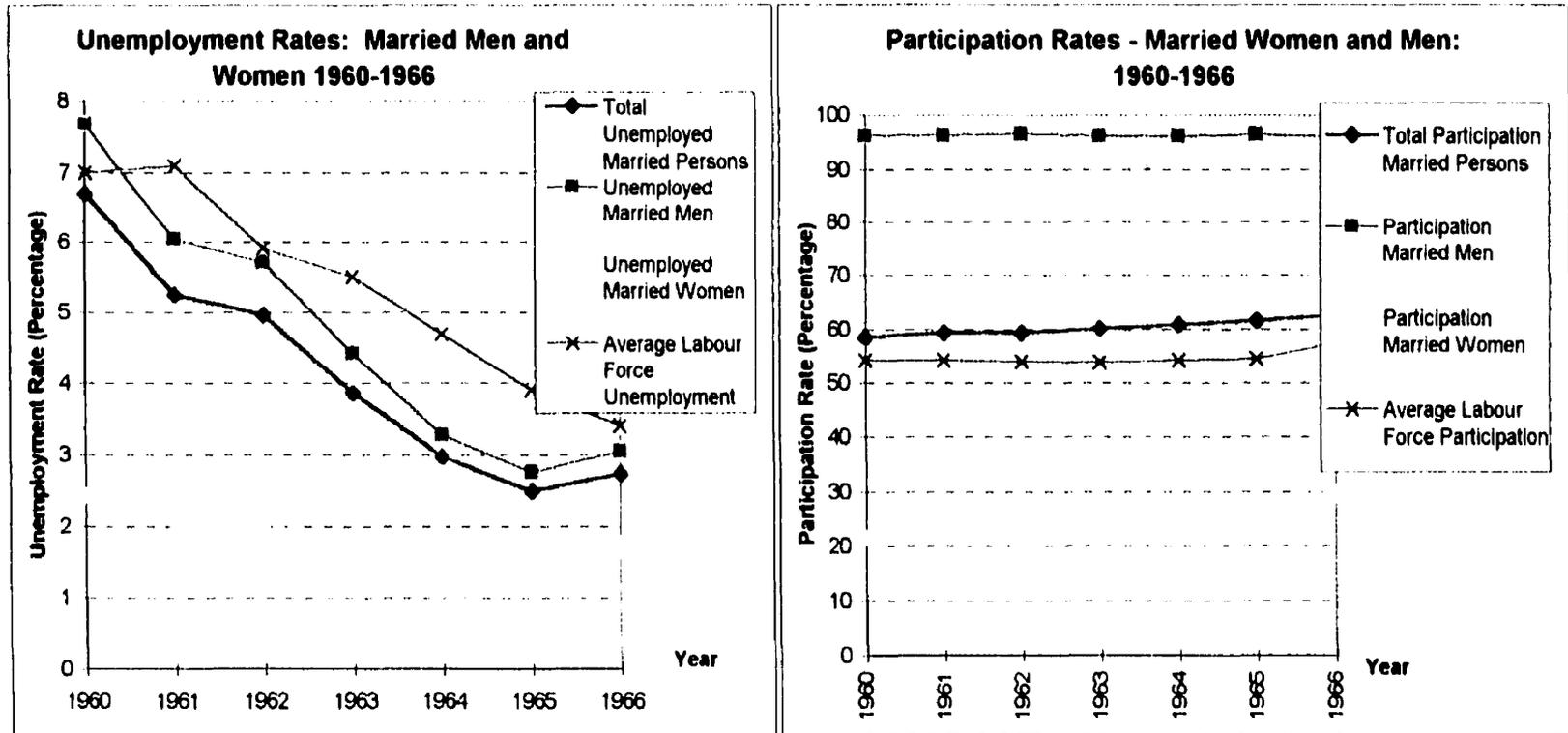
	<u>Married % of</u>	<u>15-24</u>	<u>25-34</u>	<u>35-44</u>
	<u>female population</u>			
1891	52.6	18.2	68.3	80.0
1911	56.9	23.2	71.5	80.7
1921	59.2	23.6	74.5	82.5
1931	57.3	19.7	72.7	82.7
1941	58.0	21.7	71.4	81.4
1951	64.5	30.0	81.2	84.0
1956	66.3	31.7	84.0	86.1

Source: D.B.S. 1956 Analytical Report: Marital Status. Table XV.

Source: Ramkhalawansingh, Ceta. 1974. '*Women During the Great War*'. In Acton, Janice and Goldsmith, Penny and Shepard, Bonnie. Eds. *Women at Work, Ontario, 1850 - 1930*. Toronto: Canadian Women's Educational Press. P. 294.

APPENDIX 6: The 1960s Unemployment and Participation Rates of Married Women and Men

Year	Total Unemployed Married Persons	Unemployed Married Men	Unemployed Married Women	Average Labour Force Unemployment	Year	Total Participation Married Persons	Participation Married Men	Participation Married Women	Average Labour Force Participation
1960	6.70	7.68	2.45	7.00	1960	58.43	96.16	21.72	54.2
1961	5.24	6.04	2.01	7.10	1961	59.28	96.22	23.25	54.1
1962	4.96	5.70	1.98	5.90	1962	59.34	96.44	23.38	53.9
1963	3.86	4.42	1.80	5.50	1963	60.12	96.04	25.26	53.8
1964	2.97	3.28	1.89	4.70	1964	60.84	96.09	26.43	54.1
1965	2.49	2.77	1.56	3.90	1965	61.6	96.23	27.95	54.4
1966	2.74	3.05	1.75	3.40	1966	62.6	95.99	30.08	57.3



Source: Dominion Bureau of Statistics. 1960-1966. The Labour Force. December 1960-66
 * annual averages were not made available, therefore the data retrieved was based on the middle week of December, from 1960 to 1966.

**APPENDIX 7: A BREAKDOWN OF THE WORKING FORCE ACTIVITIES
JUNE 1960 - JUNE 1961**

Wage earners who worked		(1)	(2)	(3)
		Total	Full-time*	Part-time**
		Working		
		Population		
more than 40 weeks -	men	2,840,973	2,767,578	73,395
	women	1,094,640	939,757	154,883
between 27 and 39 weeks	men	312,456	297,160	15,296
	women	125,582	94,382	31,200
less than 27 weeks	women	365,235	277,325	87,910
TOTAL		4,738,856	4,376,202	362,684

* full-time is defined as 35 or more hours per week

** part-time is defined as less than 35 hours per week

Source: Canada. 1969. **Study for Updating the Unemployment Insurance Programme (the Cousineau Committee), Report.** Ottawa: Queen's Printer, 1969.

APPENDIX 8 - Benefit/Contribution (Benefit/Cost) Ratios of Unemployment Insurance, by Industry, Canada. 1977.

RATIO		
ABOVE 1	Forestry	5.09
	Construction	2.46
	Fishing and hunting	2.10
	Recreation (sports, tourism, etc.)	1.67
	Agriculture	1.50
	Personal services	1.40
	Non-durable goods (food and beverages, etc.)	1.24
RATIO	Commercial Services	.91
BELOW 1	Durable goods	.87
	Retail trade	.84
	Finance, insurance, and real estate	.75
	Mining	.67
	Transportation	.58
	Teaching	.38
	Communications	.36
	Public Services	.15
All industries		1.00

Source: Canada. 1986. **Commission of Inquiry on Unemployment Insurance Report (Forget Report)**. Ottawa: Minister of Supply and Services Canada. November 1986. P.125.

APPENDIX 9 - ESTIMATED COVERAGE INCREASE (BASIS 1968)

Government (including federal, provincial and municipal)	437,000
Teachers	235,000
Hospital and charitable institutions	180,000
Over salary ceiling (i.e. over \$7,800)	165,000
Armed Forces	110,000
Nurses	50,000
Police Forces	25,000
Professional Athletes	3,000
	1,205,000
deduct: those at present covered but should be excluded as self-employed	45,000
Net increase in insured population	1,160,000

Source: Canada.1970. **Unemployment Insurance in the '70s (the White Paper)**. Ottawa: Queen's Printer. 1970.

APPENDIX 10

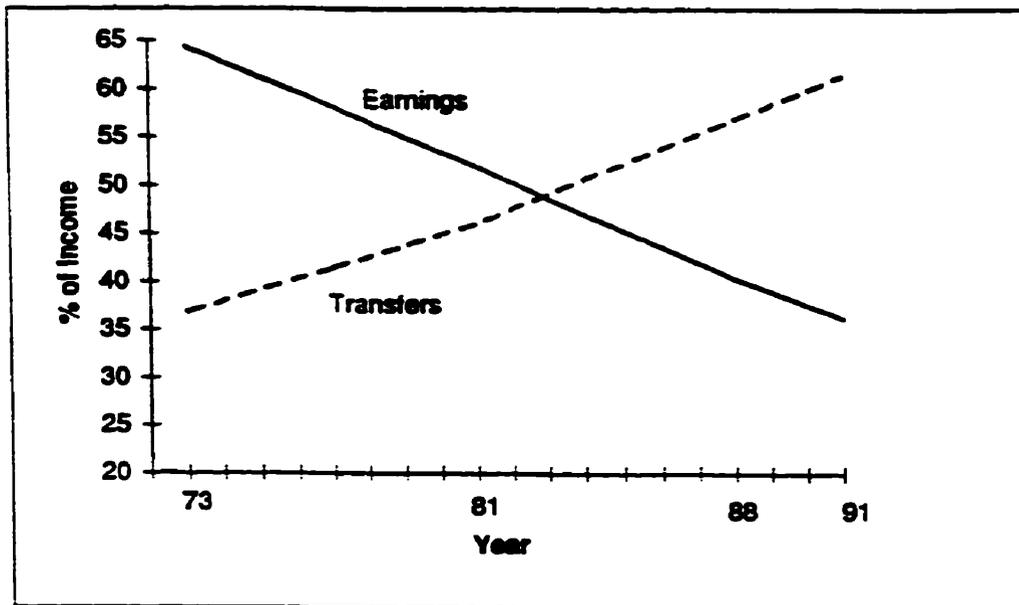
**Sources of Disposable Family Income (AE Adjusted)
for Individuals in Families with less than 0.5 Median Disposable Income, 1973-1991**

Age of Individuals	Year	Total	Wages and Salaries	Other Factor Income	Total Market Income	UI Transfer Income	Other Transfer Income	Total Transfer Income	Tax
Percentage Distribution									
0 to 6	1973	100.0 %	65.4 %	3.0 %	68.4 %	6.7 %	29.2 %	35.9 %	-4.3 %
	1981	100.0 %	53.6 %	4.3 %	57.9 %	8.2 %	36.6 %	44.8 %	-2.8 %
	1988	100.0 %	41.9 %	5.0 %	46.9 %	7.9 %	47.9 %	55.8 %	-2.8 %
	1991	100.0 %	35.4 %	3.7 %	39.1 %	8.9 %	54.2 %	63.1 %	-2.2 %
7 to 14	1973	100.0 %	63.7 %	3.3 %	67.0 %	4.8 %	32.5 %	37.2 %	-4.3 %
	1981	100.0 %	50.6 %	5.3 %	55.9 %	6.2 %	40.8 %	47.0 %	-2.9 %
	1988	100.0 %	38.6 %	5.6 %	44.2 %	7.3 %	50.7 %	58.0 %	-2.2 %
	1991	100.0 %	36.8 %	6.8 %	43.6 %	7.3 %	52.3 %	59.6 %	-3.2 %
15 to 19	1973	100.0 %	66.5 %	3.5 %	70.0 %	3.9 %	30.4 %	34.3 %	-4.3 %
	1981	100.0 %	56.6 %	5.8 %	62.4 %	6.8 %	33.6 %	40.4 %	-2.8 %
	1988	100.0 %	50.2 %	4.9 %	55.1 %	6.6 %	40.3 %	46.9 %	-2.0 %
	1991	100.0 %	48.1 %	4.6 %	52.7 %	7.5 %	42.5 %	50.0 %	-2.7 %
20 to 24	1973	100.0 %	77.3 %	3.9 %	81.2 %	6.2 %	16.7 %	22.9 %	-4.2 %
	1981	100.0 %	60.9 %	5.0 %	65.9 %	8.9 %	27.6 %	36.5 %	-2.4 %
	1988	100.0 %	59.9 %	5.4 %	65.3 %	7.3 %	29.4 %	36.7 %	-2.0 %
	1991	100.0 %	59.6 %	4.1 %	63.7 %	8.8 %	30.1 %	38.9 %	-2.8 %
25 to 34	1973	100.0 %	71.3 %	3.5 %	74.8 %	7.2 %	24.0 %	31.2 %	-6.0 %
	1981	100.0 %	55.5 %	5.0 %	60.5 %	10.6 %	32.0 %	42.6 %	-3.0 %
	1988	100.0 %	48.5 %	4.5 %	53.0 %	10.0 %	39.7 %	49.7 %	-2.7 %
	1991	100.0 %	44.9 %	4.4 %	49.3 %	10.3 %	43.7 %	54.0 %	-3.3 %

Source: Picot, Garnett and Myles, John. 1995. *Social Transfers, Changing Family Structure, and Low Income Among Children*. Ottawa: Statistics Canada. Analytical Studies Branch. Sept 1995.

APPENDIX 11

Source of Disposable Family Income, Children 0 to 14 in Families with < 0.5 Median Income



Source: Picot, Garnett and Myles, John. 1995. **Social Transfers, Changing Family Structure, and Low Income Among Children.** Ottawa: Statistics Canada. Analytical Studies Branch. Sept 1995.

APPENDIX 12 - Participation Patterns of Female Lone-Parents and Women Living in Coupled Arrangements

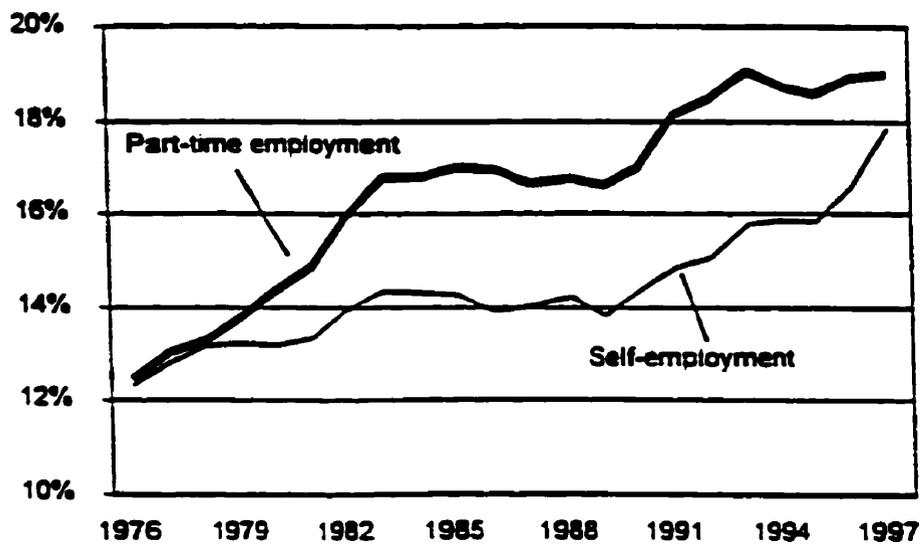
	Participation Rate (%)			Employment Rate (%)		Unemployment Rate (%)	
	Total	Full-time	Part-time	Rate (%)	Rate (%)	Rate (%)	Rate (%)
Female Lone-Parents							
w/children under 3	28.4	20.0	29.0	38.9		27.1	
w/children 3-5	41.6	31.0	26.0	54.5		23.7	
w/children 6-15	60.8	48.0	21.5	72.8		16.4	
Male Lone-Parents							
w/children under age 16	69.7	64.0	7.7	82.7		15.7	
Women in Coupled Families							
w/children under 3	59.4	41.0	30.9	64.9		7.6	
w/children 3-5	n/a	n/a	n/a	70.7		n/a	
w/children 6-15	n/a	n/a	n/a	77.7		n/a	
w/ no children under age 16	n/a	n/a	n/a	78.5		n/a	

Female lone-parenting, with the presence of young children, negatively influences labour force participation patterns.

Source: figures cited from: Rose, Ruth. 1999. *Affidavit de ruth rose, professeure de sciences économiques a l'Université du Québec a Montreal*. Montreal: Ministère de la Justice. March 3, 1999 (p. 17-19).

APPENDIX 13

Self-Employment and Part-Time Employment as a Percentage of Total Employment, 1976-1997



Applied Research Branch/Direction générale de la recherche appliquée

Source: HRDC. Human Resources Development Canada. 1998. **An Analysis of Employment Insurance Benefit Coverage**. Ottawa: Human Resources Development Canada. Applied Research Branch. Strategic Policy. October 1998.

APPENDIX 14

Self- vs Paid-Employment Earnings and Hours, Canada, 1994

	<i>All</i>		Men		Women	
	Self-Employed	Employee	Self-Employed	Employee	Self-Employed	Employee
Average Earnings	27,671	29,992	30,691	36,385	20,116	22,990
(Std. Dev.)	(40,930)	(21,979)	(44,084)	(24,848)	(30,410)	(15,559)
Median Earnings	17,803	27,027	20,000	34,075	10,237	20,997
Earnings Distribution:	Percent					
Under 20,000	56.4	36.4	50.2	25.9	71.9	47.9
20,001-40,000	27.8	37.1	32.1	35.4	16.9	39.1
40,001-60,000	7.8	19.3	8.7	27.2	5.6	10.6
60,001-80,000	2.7	5.1	3.3	7.9	1.2	2.0
80,001+	5.4	2.0	5.7	3.5	4.6	0.4
Average Hours	2,287	1,767	2,480	1,942	1,805	1,576
(Std. Dev.)	(941)	(668)	(849)	(633)	(985)	(653)
Median Hours	2,088	1,956	2,508	2,088	1,824	1,824
Hours Distribution:	Percent					
Under 1,500	16.9	26.5	8.1	17.4	38.8	36.5
1,501-2,000	11.8	27.3	11.0	20.1	13.9	35.3
2,001-2,500	27.9	39.2	30.3	51.6	21.9	25.6
2,501+	43.4	7.0	50.6	10.9	25.4	2.7

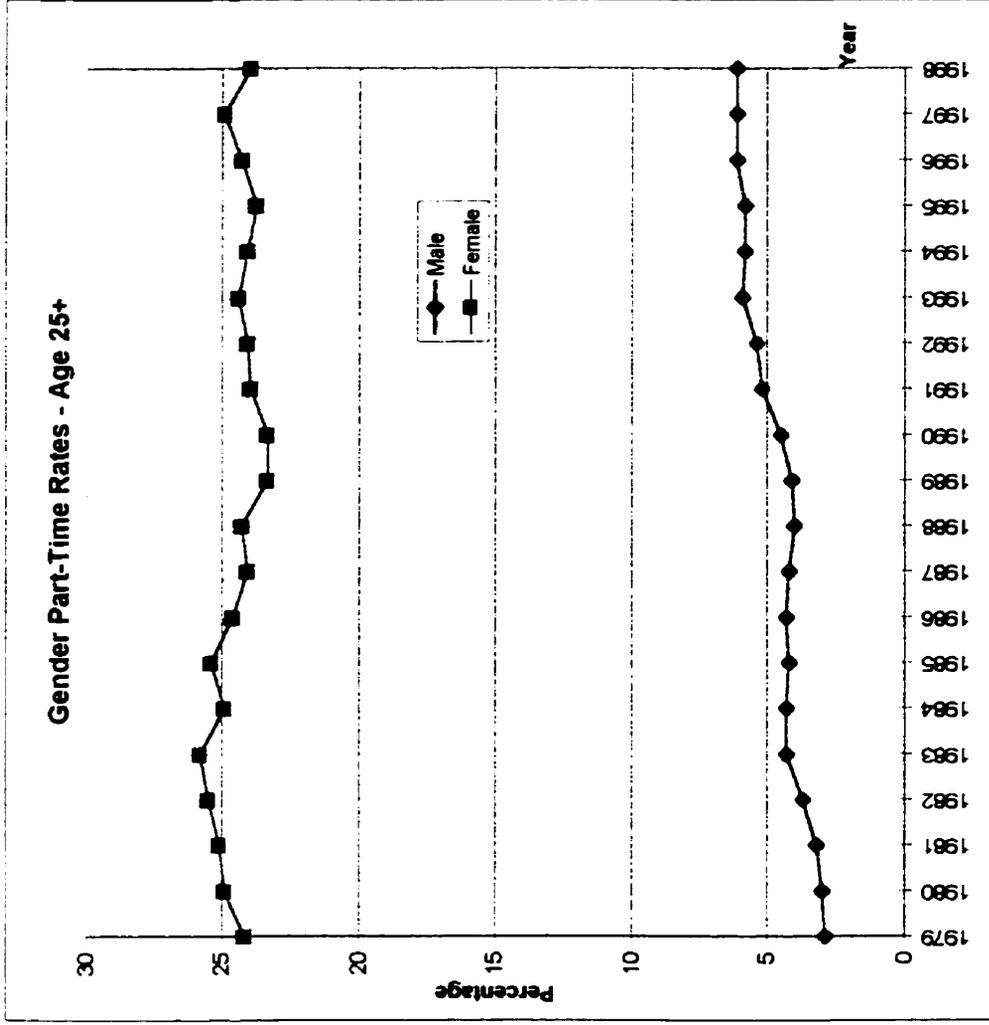
Notes: For those with only self-employment or paid-employment who reported positive earnings.

Source: Lin, Zhengxi and Picot, Garnett and Yates, Janice. 1999.

The Entry and Exit Dynamics of Self-Employment in Canada

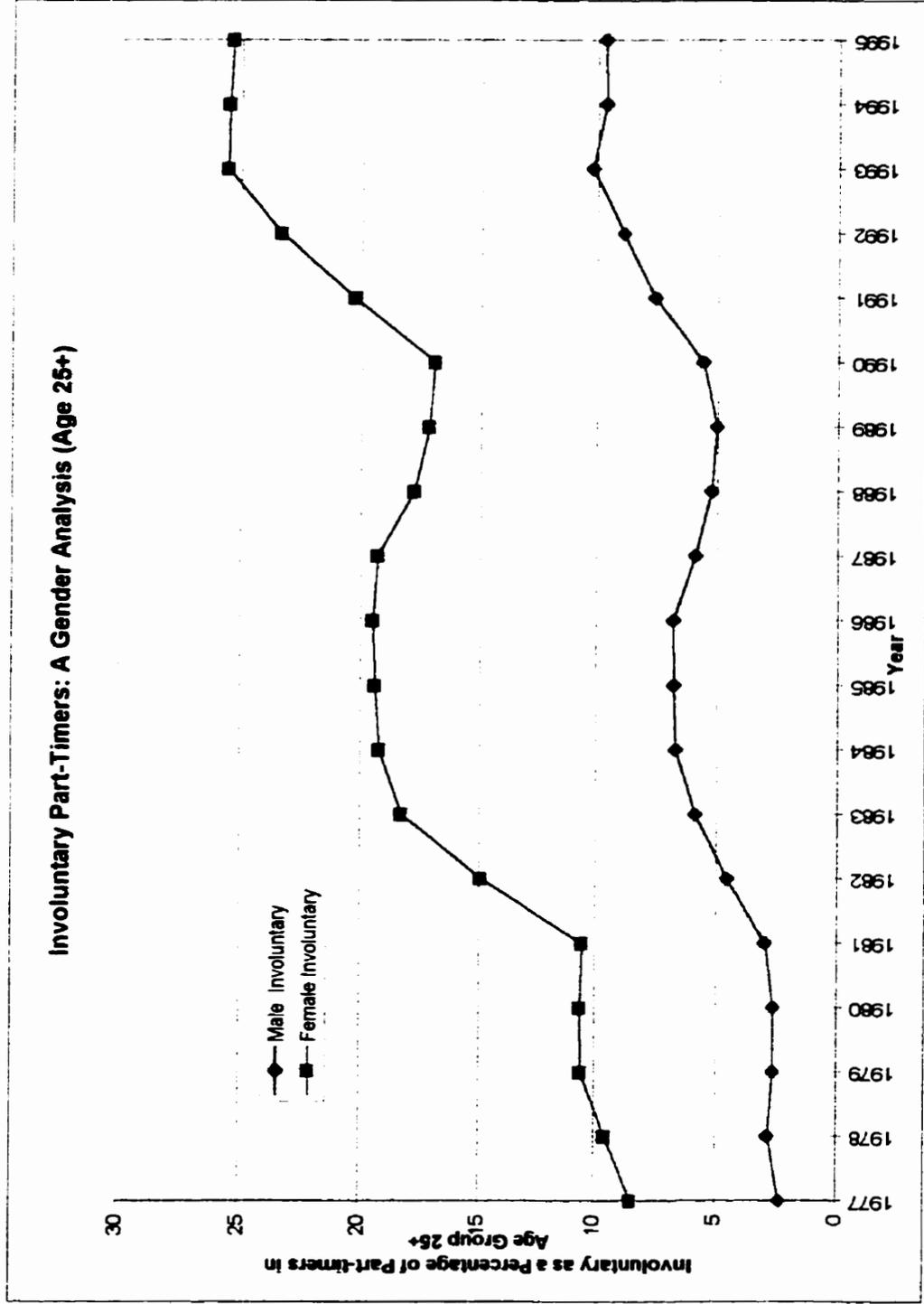
Ottawa: Statistics Canada. Analytical Studies Branch. March 1999.

APPENDIX 15: Part-Time Work by Gender (Age 25+)
1977 - 1998

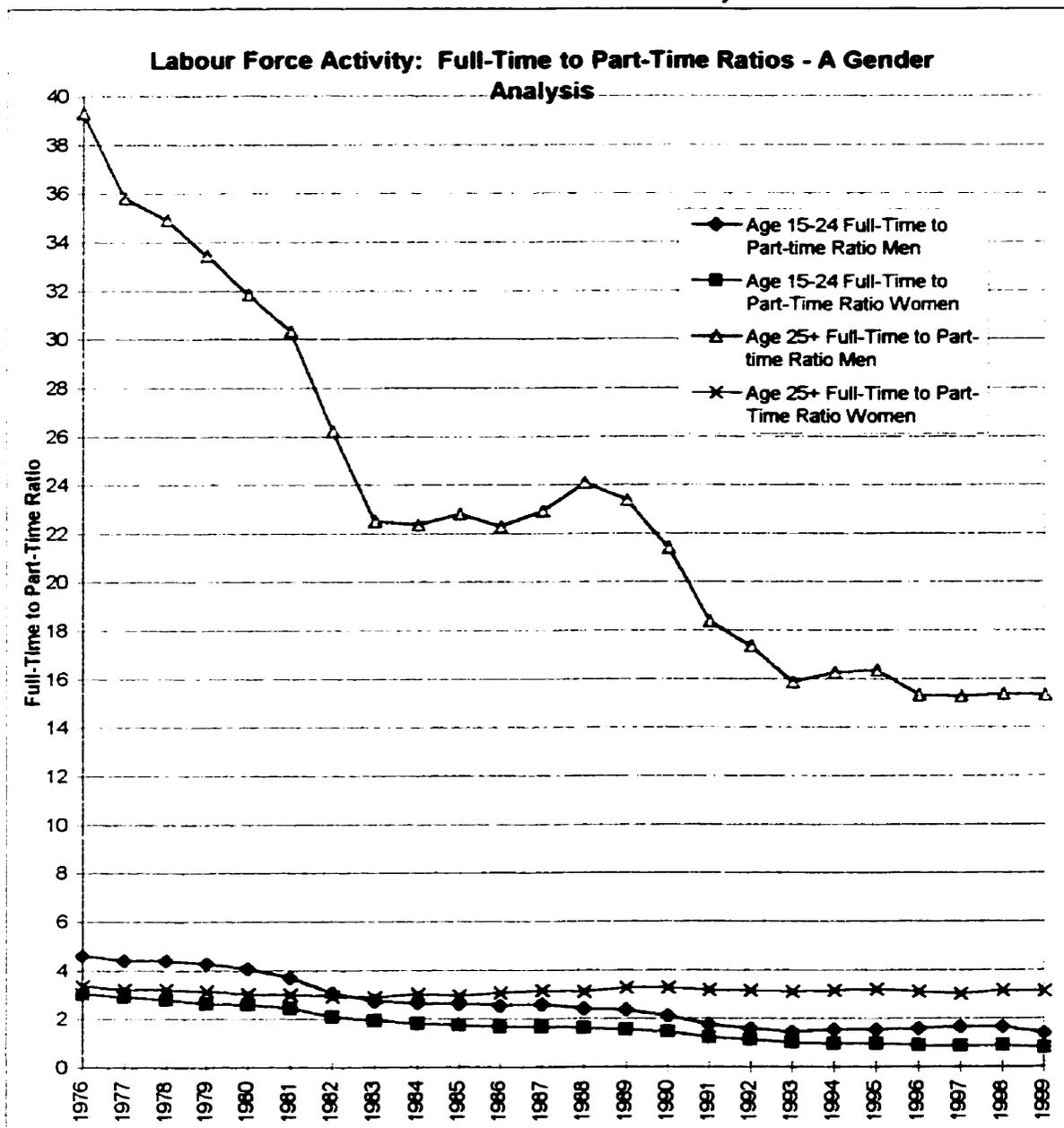


Source: Statistics Canada Cansim 71-201

APPENDIX 16: Involuntary Part-timers: A Gender Analysis



APPENDIX 17: Labour Force Activity:
Full-Time to Part-Time Ratios - A Gender Analysis



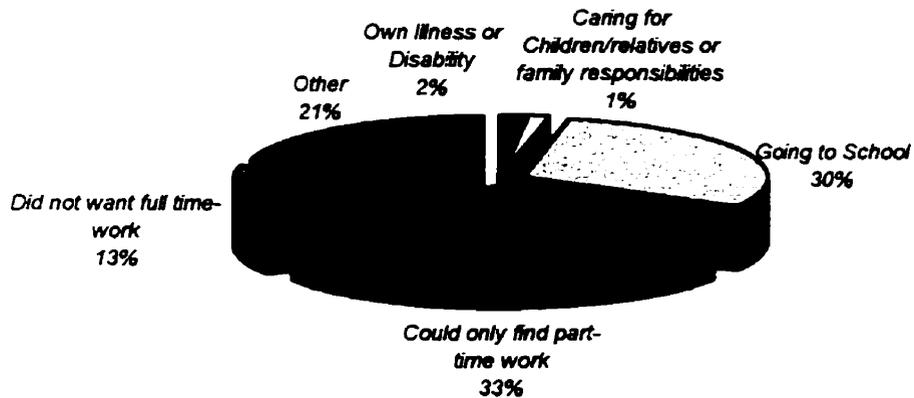
Data Source: Statistics Canada - Cansim 71-001

**APPENDIX 18- Male Workers: Reason for Part-time Labour Force Participation -
Evidence from the 1994 Survey of Labour and Income Dynamics (SLID)**

1994 SLID Data

Reason for working part-time	Male	%
Own Illness or Disability	28	1.6
Caring for Children/relatives or family responsibilities	24	1.4
Going to School	533	30.3
Could only find part-time work	580	33.0
Did not want full time-work	225	12.8
Other	367	20.9
	1757	100

Male Workers - Reasons for Part-time Labour Force Status

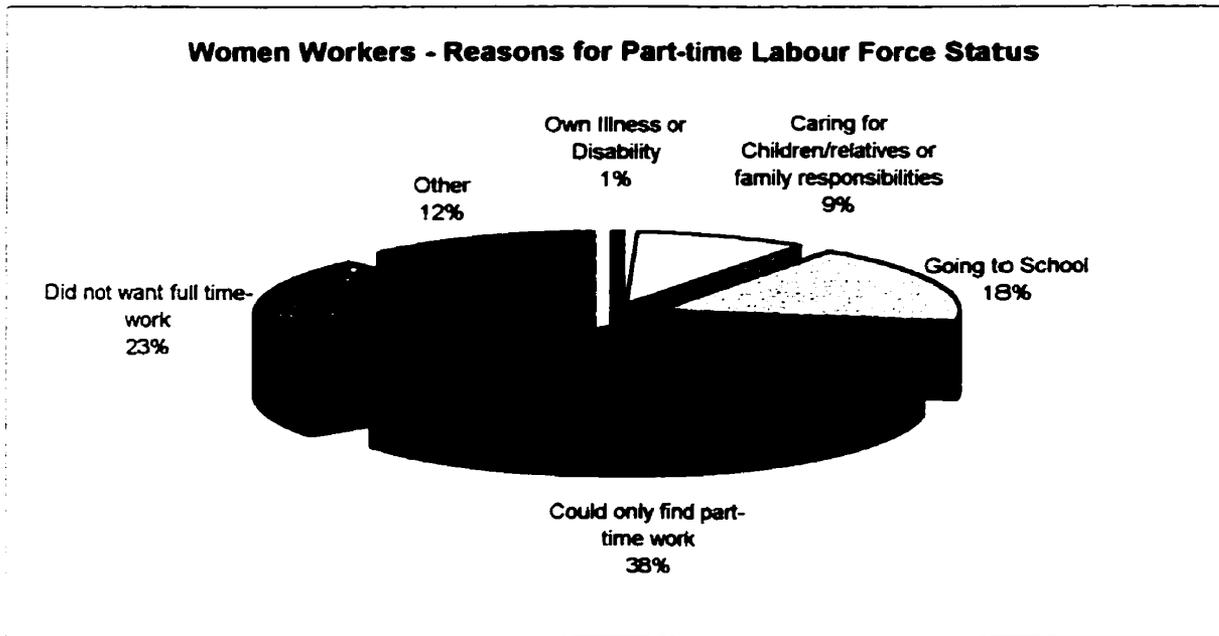


Data Source: Statistics Canada - 1994 Survey of Labour and Income Dynamics (SLID)

**APPENDIX 19 - Women Workers - Reason for Part-time Labour Force Participation:
Evidence from the 1994 Survey of Labour and Income Dynamics (SLID)**

1994 SLID Data

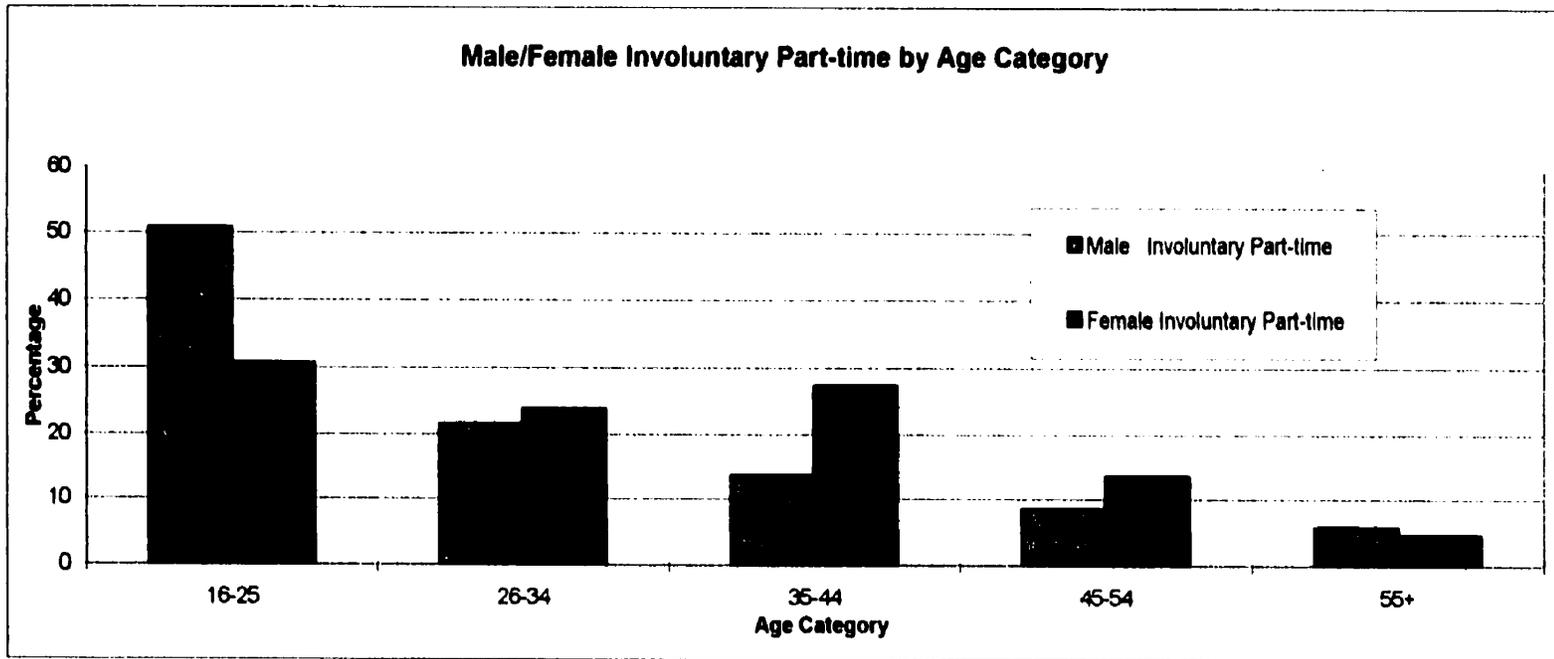
Reason for working part-time	Female	%
Own Illness or Disability	21	0.5
Caring for Children/relatives or family responsibilities	365	9.2
Going to School	696	17.6
Could only find part-time work	1488	37.7
Did not want full time-work	894	22.7
Other	482	12.2
	3946	100



Data Source: Statistics Canada - 1994 Survey of Labour and Income Dynamics (SLID)

**APPENDIX 20: Male/Female Involuntary Part-time Rates by Age Category -
Evidence from the 1994 Survey of Labour and Income Dynamics (SLID)**

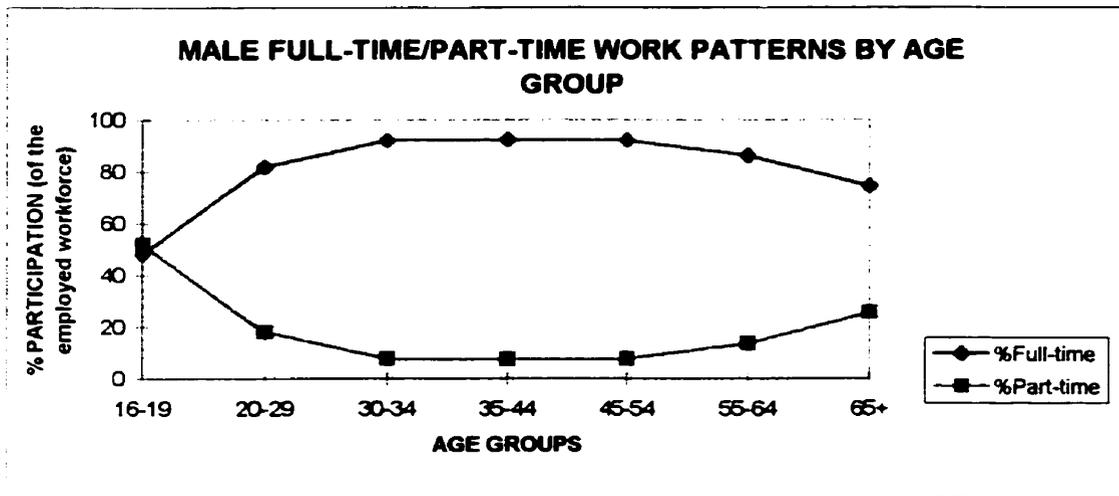
	Male					Female				
	Illness/Disability	Caring for Children/ Elders	School	Involuntary Part-time	Involuntary Part-time	Illness/Disability	Caring for Children/ Elders	School	Involuntary Part-time	Involuntary Part-time
16-25	6	1	502	294	50.69	4	36	643	456	30.65
26-34	4	7	29	125	21.55	1	144	244	354	23.80
35-44	4	6	2	79	13.62	7	138	46	407	27.35
45-54	7	8	0	49	8.45	5	33	7	203	13.64
55+	7	2	0	33	5.69	4	14	0	68	4.56
	28	24	533	580	100.00	21	365	940	1488	100



Data Source: 1994 Survey of Labour and Income Dynamics (SLID)

APPENDIX 21 - 1994 SLID SURVEY DATA

Total Employment						
Age Group	Full-time	Part-time	TOTAL	Age Group	%Full-time	%Part-time
16-19	436	470	906	16-19	48.12	51.88
20-29	2570	565	3135	20-29	81.98	18.02
30-34	1585	134	1719	30-34	92.20	7.80
35-44	2967	242	3209	35-44	92.46	7.54
45-54	2030	173	2203	45-54	92.15	7.85
55-64	861	135	996	55-64	86.45	13.55
65+	110	38	148	65+	74.32	25.68
	10559	1757	12316			



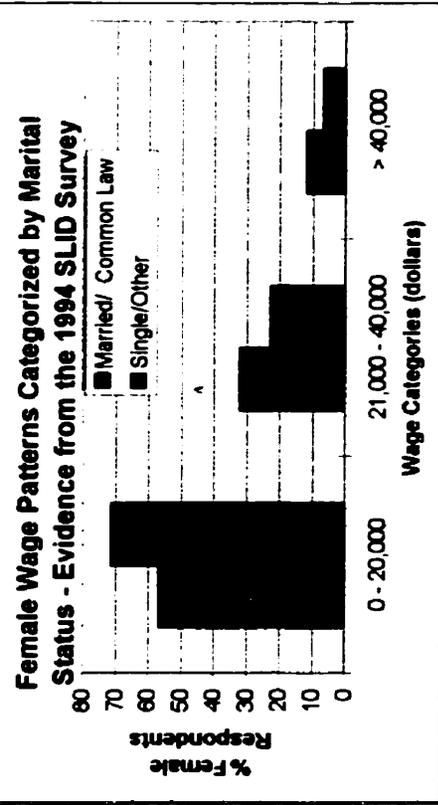
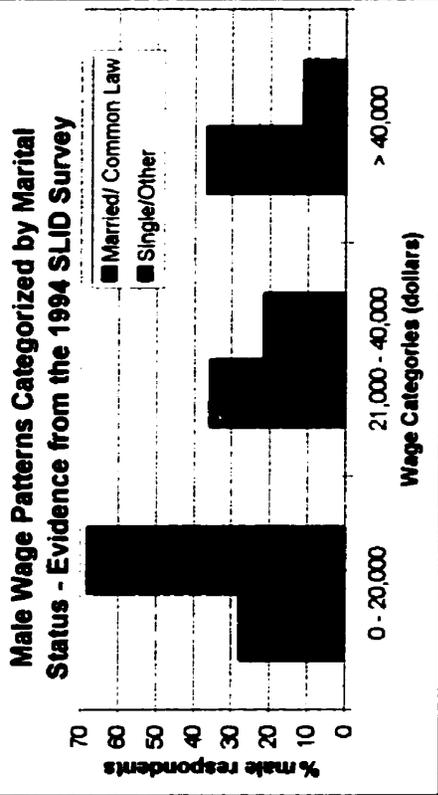
Percentage total full-time male workers **85.70%**
 Percentage total part-time male workers **14.30%**

Data Source: Statistics Canada - 1994 Survey of Labour and Income Dynamics (SLID)

APPENDIX 23 - 1994 SLID Data Analysis of Wages by Gender and Marital Status

1994 SLID data	Male Respondents		Total	% Married/ Single/Other	
Salary Scales	Married/Com.Law	Single/other	Respondents	Common Law	Single/Other
0 - 20,000	1741	2311	4052	27.70	67.73
21,000 - 40,000	2244	730	2974	35.70	21.40
> 40,000	2301	371	2672	36.61	10.87
	6286	3412	9698	100.00	100.00

Female Respondents		Total	% Married/ Single/Other	
Married/Com.Law	Single/other	Respondents	Common Law	Single/Other
0 - 20,000	3068	5282	56.46	71.10
21,000 - 40,000	1736	2435	31.95	22.45
> 40,000	630	831	11.59	6.45
	5434	8548	100.00	100.00



The survey data indicates a larger proportion of men in coupled relationships represented in the higher wage category (40,000+); however, there is a much lower proportion of attached women in this wage category (as a percentage of total women employed within this category of living arrangements)

While the wage patterns for men and women in coupled relationships work in opposite directions, there is considerable similarity in the wage patterns of unattached men and women.

A high proportion of married/common law women in the 0-\$20,000 wage category may be explained by the incidence of part-time work.

Data Source: Statistics Canada: 1994 Survey of Labour and Income Dynamics (SLID)

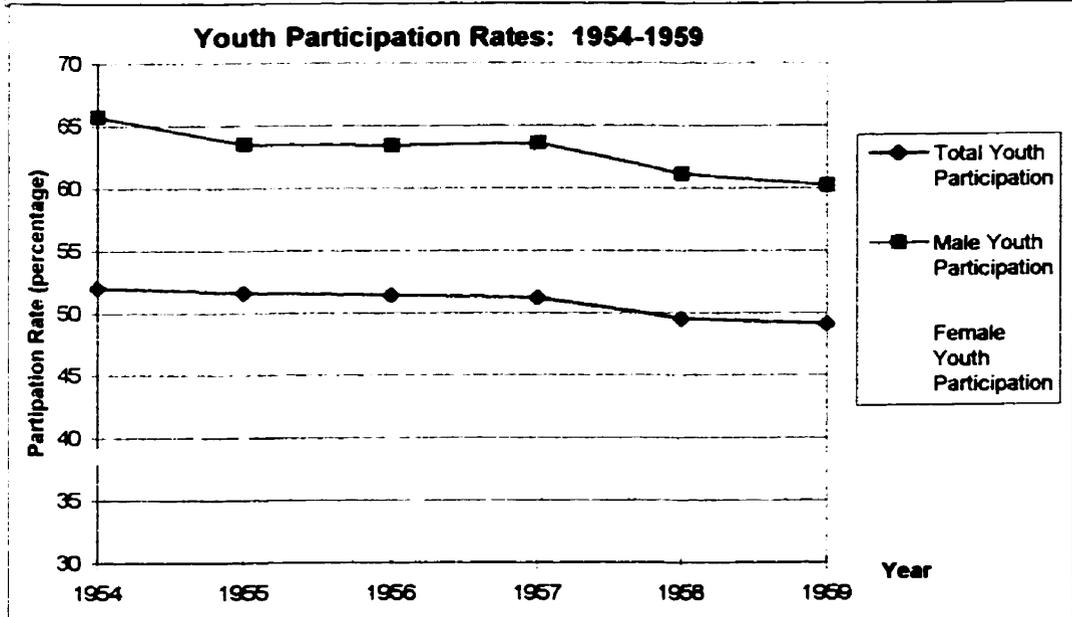
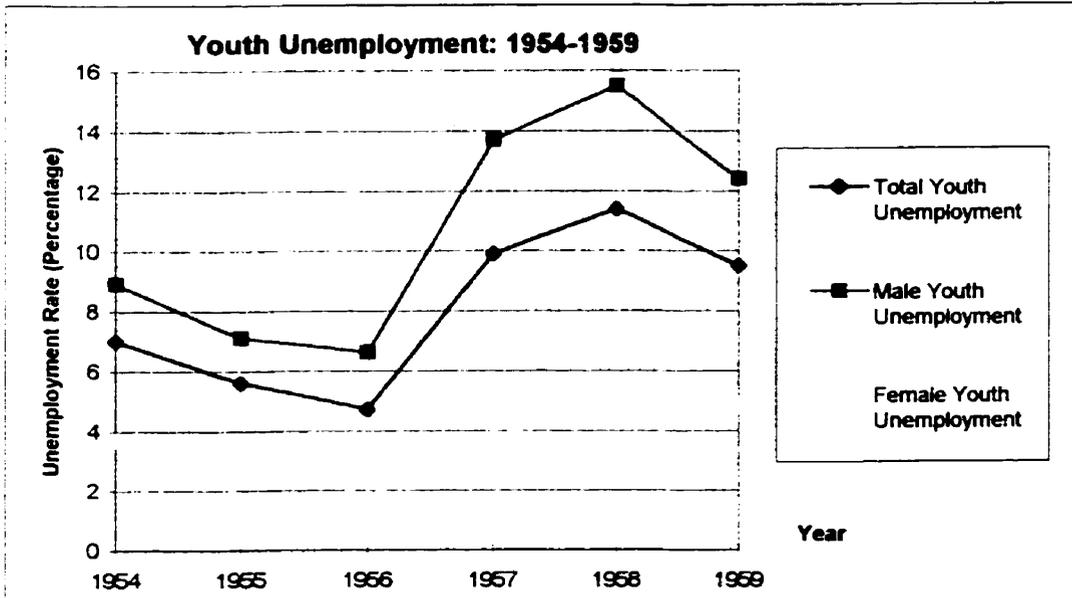
APPENDIX 24: A Gender Analysis of Work Interruptions and Job Tenure

1990-1994 Work Interruptions	Percentage (%) Working Age Adults	
	Women	Men
(less than six months)		
Age 20-24	43	25
Age 25-34	23	11
have experienced a work interruption of 6 mos or more	62	27
University-educated women: have experienced an interruption of less than 6 months	51	n/a
Avg duration of 1st interruption	3.1 years	
Job Tenure	Average Duration of Employment (months)	
	Women	Men
All Workers	83	105.1
Workers age 15-24	18.7	19.3
Workers age 25-44	73.6	82.4

Source: figures cited from: Rose, Ruth, 1999. *Affidavit de ruth rose, professeur de sciences économiques a l'Université du Québec a Montreal*. Montreal: Ministère de la Justice. March 3, 1999 (p. 15,20)

**APPENDIX 25: Youth Unemployment and Labour Force Participation Rates by Gender:
1954-1959**

	Total Youth Unemployment	Male Youth Unemployment	Female Youth Unemployment	Total Youth Participation	Male Youth Participation	Female Youth Participation
1954	7	8.9	3.7	52	65.7	38.6
1955	5.6	7.1	3.3	51.6	63.5	39.9
1956	4.7	6.6	1.8	51.4	63.4	39.6
1957	9.9	13.7	3.8	51.2	63.6	38.9
1958	11.4	15.5	4.9	49.5	61.1	38.1
1959	9.5	12.4	4.9	49.1	60.2	38.2



Data Source:
1954-1959 Dominion Bureau of Statistics:
The Labour Force (Volumes 10-15; No.12)

APPENDIX 26

The Experienced Male Labour Force¹
by Industry Division,² 1951-1991

Industry division	Male % of industry					Industry division	% of all male workers				
	1951	1961	1971	1981	1991		1951	1961	1971	1981	1991
Agriculture	95.8	87.6	76.8	75.6	65.9	Agriculture	19.3	12.1	7.0	5.2	4.4
Forestry	98.2	98.0	95.5	89.0	85.1	Forestry	3.1	2.3	1.3	1.3	1.2
Fishing and trapping	99.2	98.6	96.5	90.6	83.7	Fishing and trapping	1.3	0.8	0.5	0.5	0.5
Mines, quarries, and oil wells	98.1	96.6	93.3	86.0	84.1	Mines, quarries, and oil wells	2.5	2.4	2.5	2.6	2.1
Manufacturing	79.4	78.5	76.3	72.1	70.3	Manufacturing	25.2	23.9	24.6	23.1	18.7
Construction	98.3	97.5	95.1	90.6	88.5	Construction	7.8	9.3	9.7	9.8	10.5
Transportation, communications, and other utilities	88.5	86.4	83.0	76.6	73.6	Transportation, communications, and other utilities	11.4	11.5	10.5	10.3	10.0
Trade	71.7	69.6	63.3	56.6	54.5	Trade	13.3	15.1	15.2	16.0	17.0
Finance, insurance, and real estate	55.6	54.3	48.5	39.0	38.1	Finance, insurance, and real estate	2.0	2.7	3.5	3.5	3.9
Community, business, and personal services	43.2	40.9	42.4	39.7	37.7	Community, business, and personal services	8.4	11.3	16.4	19.5	23.6
Public administration and defence	82.7	81.8	74.5	63.0	57.6	Public administration and defence	5.7	8.5	9.0	8.1	8.2
All industries	78.0	72.7	66.5	59.7	55.1	All industries	100.0	99.9	100.2	99.9	100.1

¹ Excludes unemployed persons who have never worked in the labour force or who had not done so since January 1 of the prior year.

² Not including industry unspecified or undefined.

³ Concentration totals may not add up to 100 due to rounding.

SOURCES: Calculated from 1971 Census, Special Bulletin SE-2, Economic Characteristics: Industry Trends 1951-1971 (Cat. 94-793), Tables 1-3; 1981 Census, Labour Force - Industry Trends (Cat. 92-925), Table 1; and 1991 Census, Industry and Class of Worker (Cat. 93-326), Table 1.

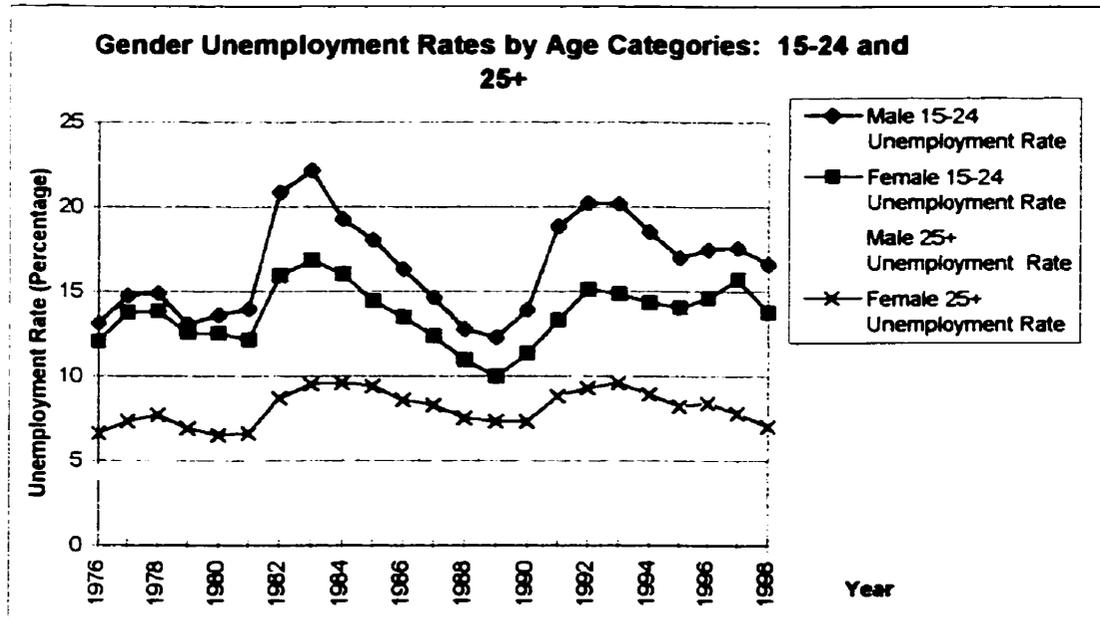
Armstrong, Pat and Armstrong, Hugh. 1994.

The Double Ghetto: Canadian Women and Their Segregated Work.

Toronto: McClelland & Stewart Inc.

APPENDIX 27 - Gender Unemployment Rates by Age Categories: 15-24 and 25+

	Male 15-24 Unemployment Rate	Female 15-24 Unemployment Rate	Male 25+ Unemployment Rate	Female 25+ Unemployment Rate
1976	13.1	12.0	4.3	6.6
1977	14.8	13.7	5.0	7.3
1978	14.9	13.8	5.3	7.7
1979	13.1	12.6	4.6	6.9
1980	13.6	12.5	4.8	6.5
1981	13.9	12.1	4.9	6.6
1982	20.9	15.9	8.2	8.7
1983	22.2	16.8	9.3	9.5
1984	19.2	16.0	9.0	9.6
1985	18.0	14.4	8.4	9.4
1986	16.3	13.5	7.6	8.6
1987	14.6	12.3	7.0	8.3
1988	12.8	10.9	6.1	7.5
1989	12.3	10.0	6.1	7.3
1990	13.9	11.3	6.9	7.3
1991	18.8	13.3	9.2	8.8
1992	20.2	15.1	10.5	9.3
1993	20.2	14.9	10.2	9.6
1994	18.5	14.3	9.4	8.9
1995	17.0	14.0	8.4	8.2
1996	17.5	14.6	8.5	8.4
1997	17.6	15.7	7.8	7.8
1998	16.6	13.7	7.1	7.0
1999	17.6	13.7	7.5	6.7

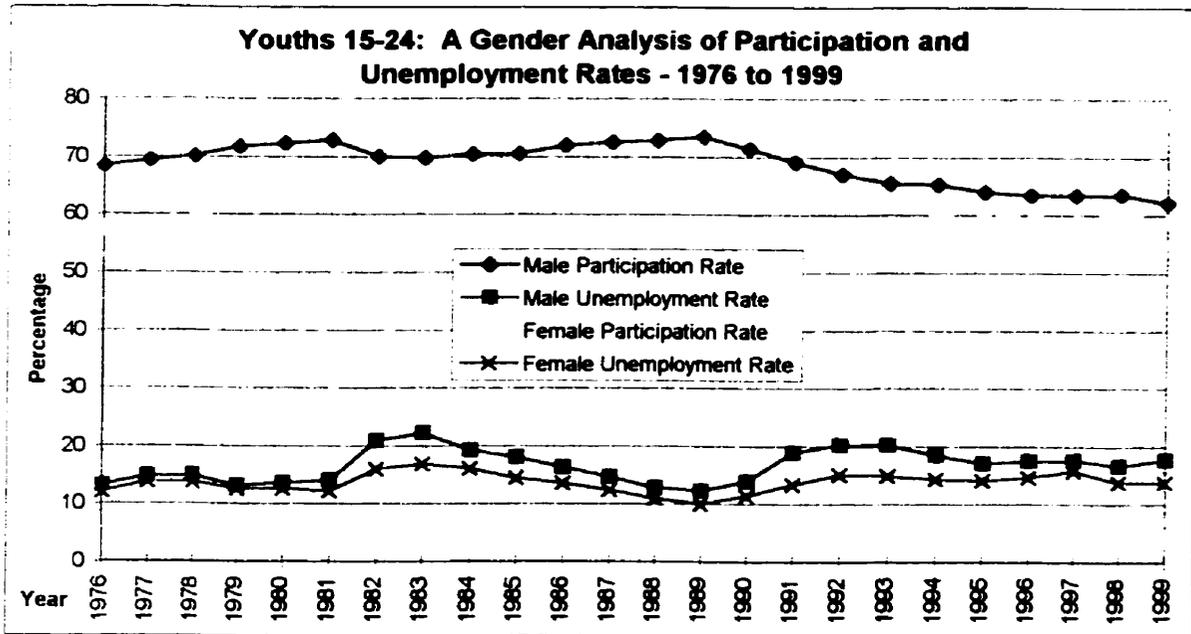


Source: Statistics Canada Cansim 71-001

APPENDIX 28 - Youth Labour Force Participation and Unemployment

15-24 Years

	Male		Female	
	Participation Rate	Unemployment Rate	Participation Rate	Unemployment Rate
1976	68.4	13.1	57.5	12.0
1977	69.3	14.8	58.3	13.7
1978	70.1	14.9	59.7	13.8
1979	71.7	13.1	61.7	12.6
1980	72.3	13.6	63.3	12.5
1981	72.8	13.9	64.0	12.1
1982	69.9	20.9	63.1	15.9
1983	69.8	22.2	63.6	16.8
1984	70.4	19.2	64.3	16.0
1985	70.6	18.0	65.5	14.4
1986	71.9	16.3	66.5	13.5
1987	72.4	14.6	67.0	12.3
1988	72.7	12.8	67.3	10.9
1989	73.4	12.3	67.8	10.0
1990	71.4	13.9	67.0	11.3
1991	69.1	18.8	65.5	13.3
1992	67.0	20.2	63.6	15.1
1993	65.5	20.2	61.5	14.9
1994	65.2	18.5	60.6	14.3
1995	63.9	17.0	60.4	14.0
1996	63.5	17.5	59.5	14.6
1997	63.4	17.6	59.0	15.7
1998	63.6	16.6	60.4	13.7
1999	62.2	17.6	59.0	13.7



Data Source: Statistics Canada Cansim 3701 STC 71-001

APPENDIX 29

ages	Percentage of youths neither in school nor in the labour force				Percentage of youths neither at school nor in employment					
	men		women		men		women		total	
	15-19	20-24	15-19	20-24	15-19	20-24	15-19	20-24		
change 1976-89	-1.4	0.3	-4.2	-11.8	-4.0	-3.4	0.2	-6.5	-11.8	-5.0
change 1989-97	-0.2	-0.1	-0.7	-1.0	-0.6	-0.9	0.4	-1.0	-0.5	-0.7
total	-1.6	0.2	-4.9	-12.8	-4.6	-4.3	0.6	-7.5	-12.3	-5.7

Source: Archambault, Richard and Grignon, Louis. 1999. **Decline in the Youth Participation Rate Since 1990: Structural or Cyclical?** Ottawa: Applied Research Branch, Strategic Policy, Human Resources Development Canada W-99-1E

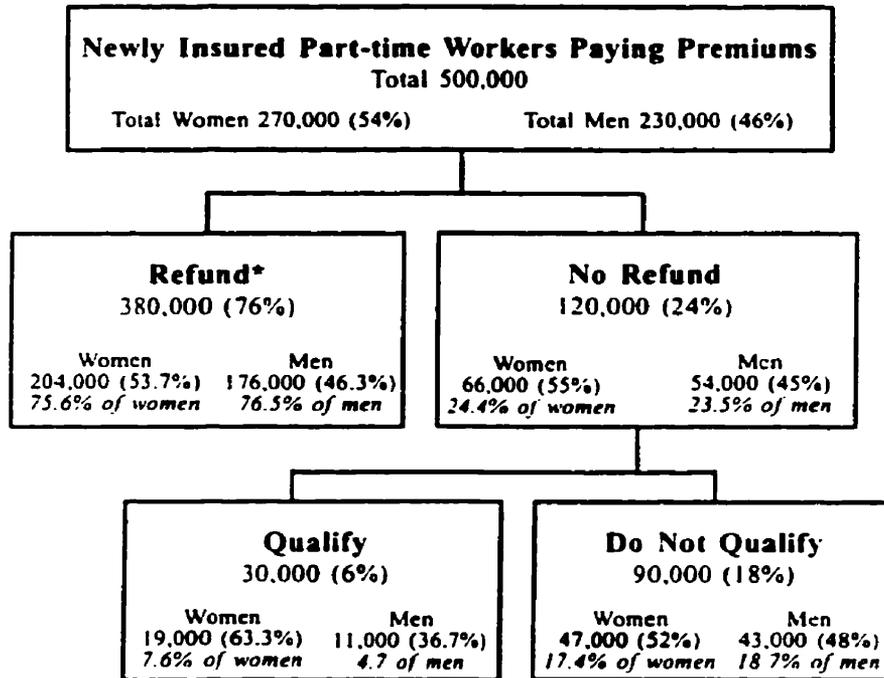
APPENDIX 30

Comparison of UI/EI Entrance Requirements		
Entrance Requirement	UI System	EI System
General	12-20 weeks (of at least 15 hours per week or a minimum of \$163 per week) in previous 52 weeks <i>equivalent to 180-300 hours</i>	<i>equivalent to 12-20 weeks of 35 hours per week or 28-47 weeks of 15 hours per week</i> 420-700 hours in previous 52 weeks
New-/re-entrants	20 weeks (of at least 15 hrs/wk) in previous 52 weeks <i>equivalent to 300 hours</i> [“re-entrant” defined as anyone working less than 14 weeks of at least 15 hrs/wk (equivalent to 210 hrs) in the year preceding the year in which a claim is made]	<i>equivalent to 26 weeks of 35 hrs/wk or 61 weeks of 15 hr/wk</i> 910 hours in previous 52 weeks [“re-entrant” defined as anyone working less than 490 hours (equivalent to 14 weeks of at least 35 hrs/wk or 33 weeks of 15/hrs/wk in the year preceding the year in which a claim is made)]
Special benefits (sickness, maternity, parental)	20 weeks (of at least 15 hr/wk) in the previous 52 weeks <i>equivalent to 300 hours</i>	<i>equivalent to 20 weeks of 35 hrs/wk or 47 weeks of 15 hrs/wk</i> 700 hours in previous 52 weeks

Pulkingham, Jane. 1998. 'Remaking the Social Divisions of Welfare: Gender, "Dependency", and UI Reform'. **Studies in Political Economy** 56, Summer, 1998. P.7-47.

APPENDIX 31

Extending Employment Insurance Coverage to Part-time Workers: General Impact



Source - compiled from information in: HRDC, *Employment Insurance: Impacts of Reform*, (January 1996) Tables 6 and 7, Part A, Section 2, pp. 7-8; and HRDC, *Employment Insurance: Gender Impact Analysis*, (January 1996) pp. 5-7.

*Those earning \$2,000 or less per year will receive a premium refund annually. Notably, the legislation does not entail inflating indexation of the \$2,000 threshold. Thus, over time very few workers will qualify for the refund.

Source: Pulkingham, Jane. 1998. 'Remaking the Social Divisions of Welfare: Gender, "Dependency", and UI Reform'. *Studies in Political Economy* 56, Summer, 1998, p. 7-47.

APPENDIX 32 : Demography of Work Force Re-entrants After a Long Absence

Re-entrants after a long absence (over one year)

	1978	1991	1995	1978	1991	1995
	Re-entrants	Re-entrants	Re-entrants	% of Unemployed Workers	% of Unemployed Workers	% of Unemployed Workers
Women 25+	50.2	50.8	50.1	24.3	30.6	32.1
Women 15-24	22.4	12.4	11.7	20.4	11.4	11.6
Men 25+	14.6	24.7	27.7	29.1	40.6	40.9
Men 15-24	12.9	12.1	10.4	26.2	17.4	15.4
	100.1	100	99.9	100	100	100

Women: Heads of Families or in Coupled Families

Re-entrants after a long absence (over one year)

all families	61.6	54.4	53.1	27.6	28.2	28.6
w/children under 16	n/a	n/a	34.0	n/a	n/a	n/a
w/preschool children	n/a	n/a	18.1	n/a	n/a	7.7
w/children age 6-15	n/a	n/a	15.9	n/a	n/a	8.5
no children under 16	n/a	n/a	19.2	n/a	n/a	12.1

Males: Heads of Families or in Coupled Families

Re-entrants after a long absence

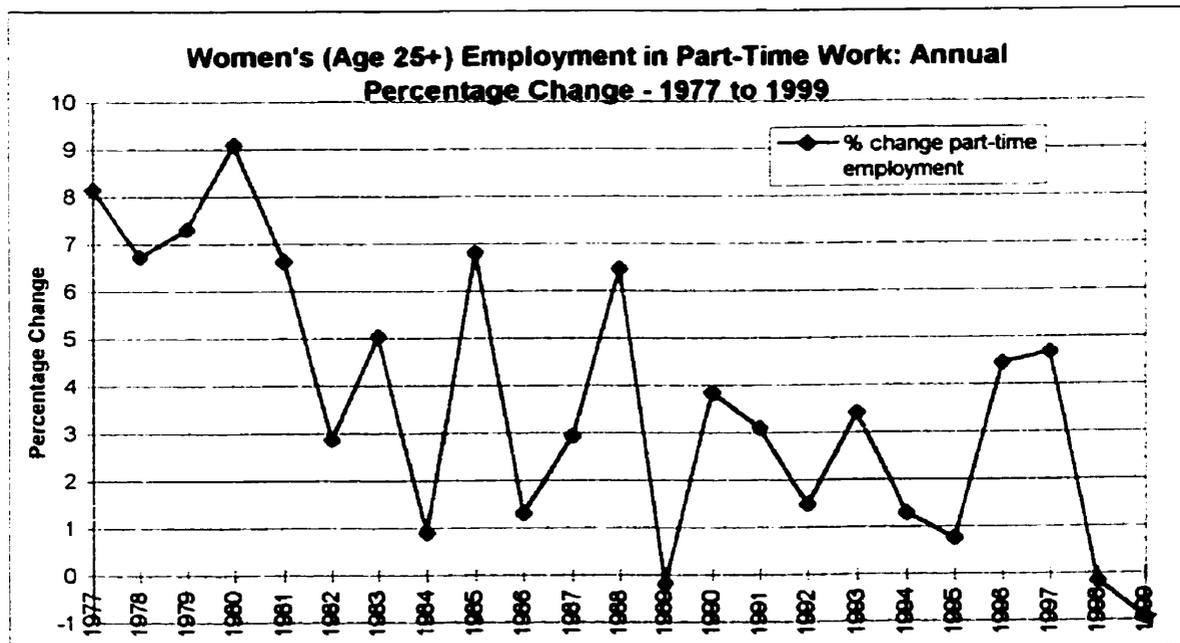
all families	14.3	21.9	25.6	23.6	27.4	26.3
w/children under 16	1.7	7.7	7.9	n/a	n/a	n/a
w/preschool children	n/a	3.8	4.1	n/a	n/a	n/a
w/children age 6-15	n/a	3.9	3.8	n/a	n/a	n/a

Source: figures cited from: Rose, Ruth. 1999. **Affidavit de ruth rose, professeure de sciences economiques a l'Universite du Quebec a Montreal**. Montreal: Ministere de la Justice. March 3, 1999 p.24-27

APPENDIX 33: Women (Age 25+) Percentage Change in Part-Time work from 1977 to 1999

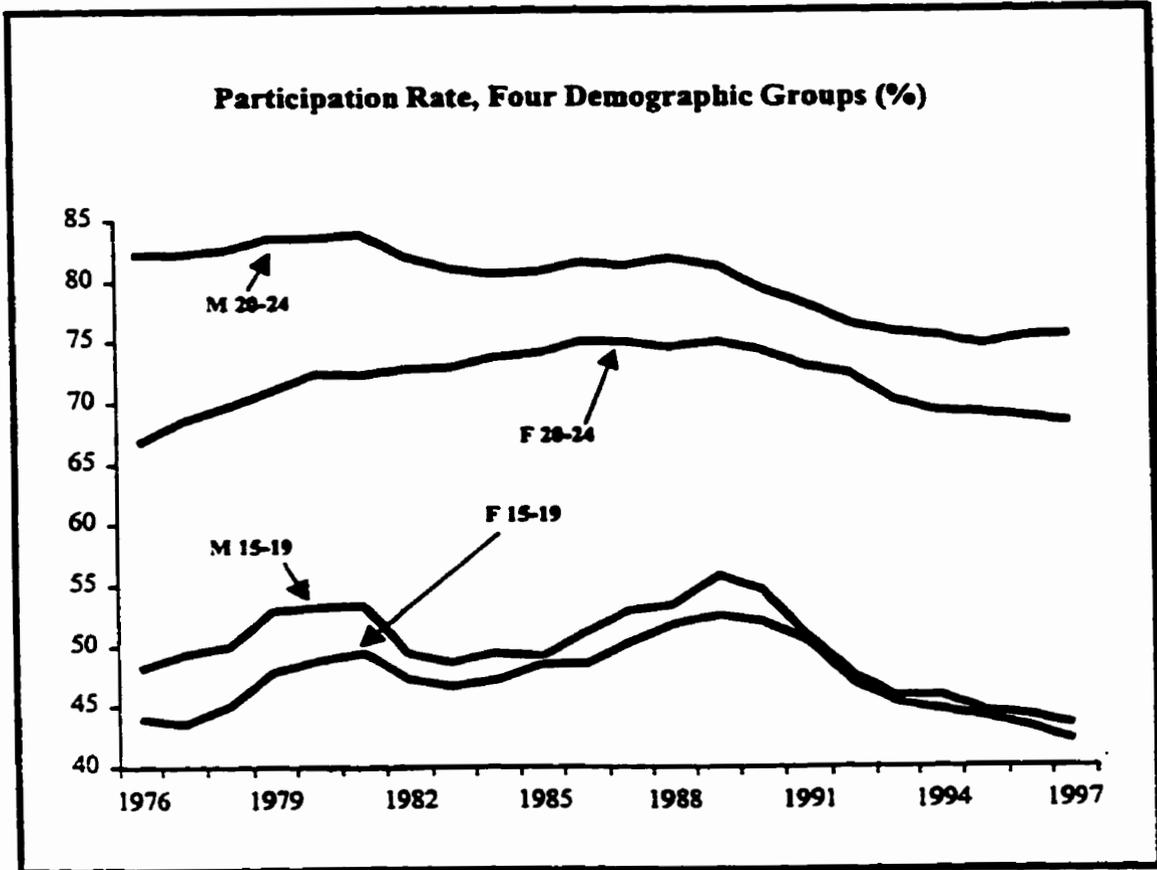
Year % change
part-time employment

1977	8.14
1978	6.72
1979	7.30
1980	9.09
1981	6.63
1982	2.87
1983	5.05
1984	0.89
1985	6.80
1986	1.31
1987	2.93
1988	6.47
1989	-0.19
1990	3.84
1991	3.09
1992	1.48
1993	3.42
1994	1.30
1995	0.77
1996	4.45
1997	4.68
1998	-0.16
1999	-0.94



Data Source: Statistics Canada - Cansim 71-001

APPENDIX 34



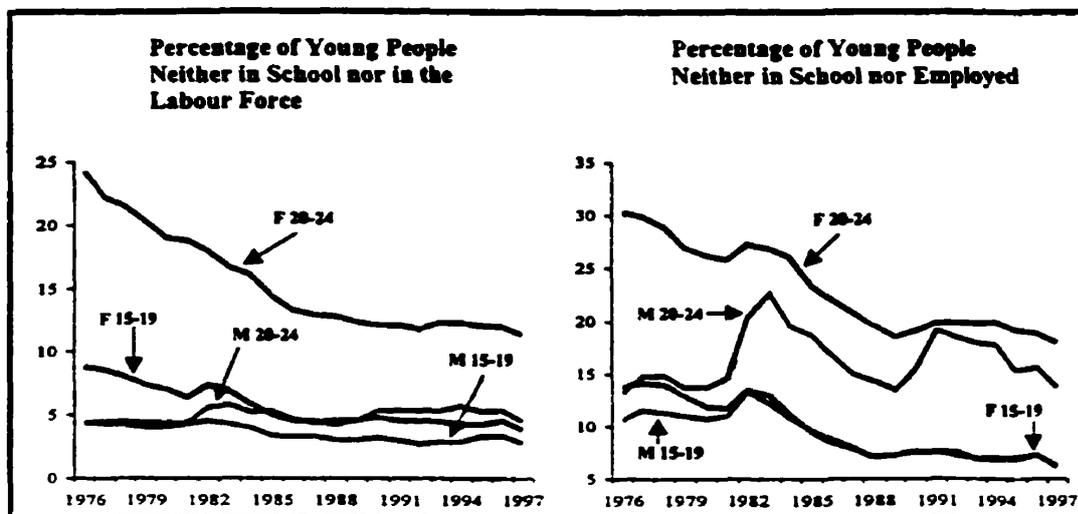
Source: Archambault, Richard and Grignon, Louis. 1999. **Decline in the Youth Participation Rate Since 1990: Structural or Cyclical?** Ottawa: Applied Research Branch, Strategic Policy, Human Resources Development Canada W-99-1E

APPENDIX 35: Gender Changes in Shares of Full-time and Part-time Employment - 1996 to 1999 (by Age Categories)

	1996	1997	Employment Shares	1998	Employment Shares	1999	Employment Shares	Cumulative	1999 Seasonally Adjusted	Employment Shares
Labour Force: Total Employment										
Men 25+	6427	6593.8	2.60	6725	1.98	6726	0.01	4.60		
Men 15-24	1052	1055.1	0.26	1078.0	2.17	1047.0	-2.88	-0.45		
Men 20-24	673.6	681.9	1.23	688.7	1.00	688.4	-0.04	2.19		
Women 25+	5210	5321.4	2.14	5500	3.35	5604	1.89	7.37		
Women 15-24	987.2	970.3	-1.71	1024	5.52	1006.0	-1.75	2.06		
Labour Force: p/t										
Men 25+	394.4	405.3	2.76	411.0	1.41	412.1	0.27	4.44		
Men 15-24	406.4	396.8	-2.36	407.1	2.60	436.8	7.30	7.53	422.0	3.66
Men 20-24	157.7	156.5	-0.76	153.4	-1.98	159.6	4.04	1.30		
Women 25+	1266	1324.7	4.68	1323	-0.16	1354	2.35	6.87	1310.2	-0.94
Women 15-24	522.8	522.5	-0.06	543.3	3.98	560.8	3.22	7.14	548.1	0.88
Labour Force: f/t										
Men 25+	6032	6188.5	2.59	6314	2.02	6314	0.00	4.61		
Men 15-24	646.1	658.2	1.87	670.8	1.91	610.3	-9.02	-5.23	708.2	5.58
Men 20-24	515.9	525.4	1.84	535.3	1.88	528.9	-1.20	2.53		
Women 25+	3945	3996.7	1.32	4177	4.52	4250	1.74	7.58	4307.2	3.11
Women 15-24	464.4	447.9	-3.55	480.7	7.32	445.1	-7.41	-3.64	512.2	6.55

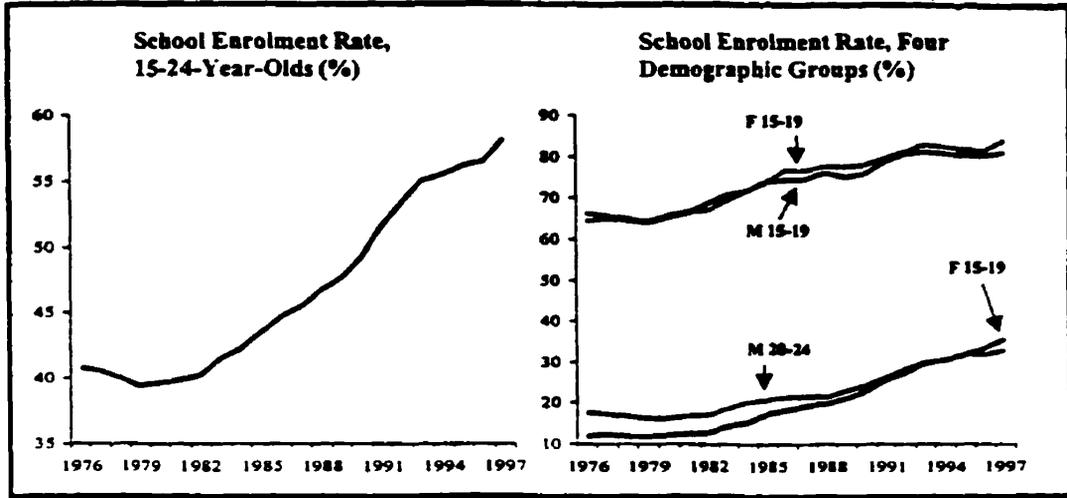
Data Source: Statistics Canada Cansim 71-001; Statistics Canada: Labour Force Information 71-001 PPB, T1

APPENDIX 36



Source: Archambault, Richard and Grignon, Louis. 1999. **Decline in the Youth Participation Rate Since 1990: Structural or Cyclical?** Ottawa: Applied Research Branch, Strategic Policy, Human Resources Development Canada W-99-1E

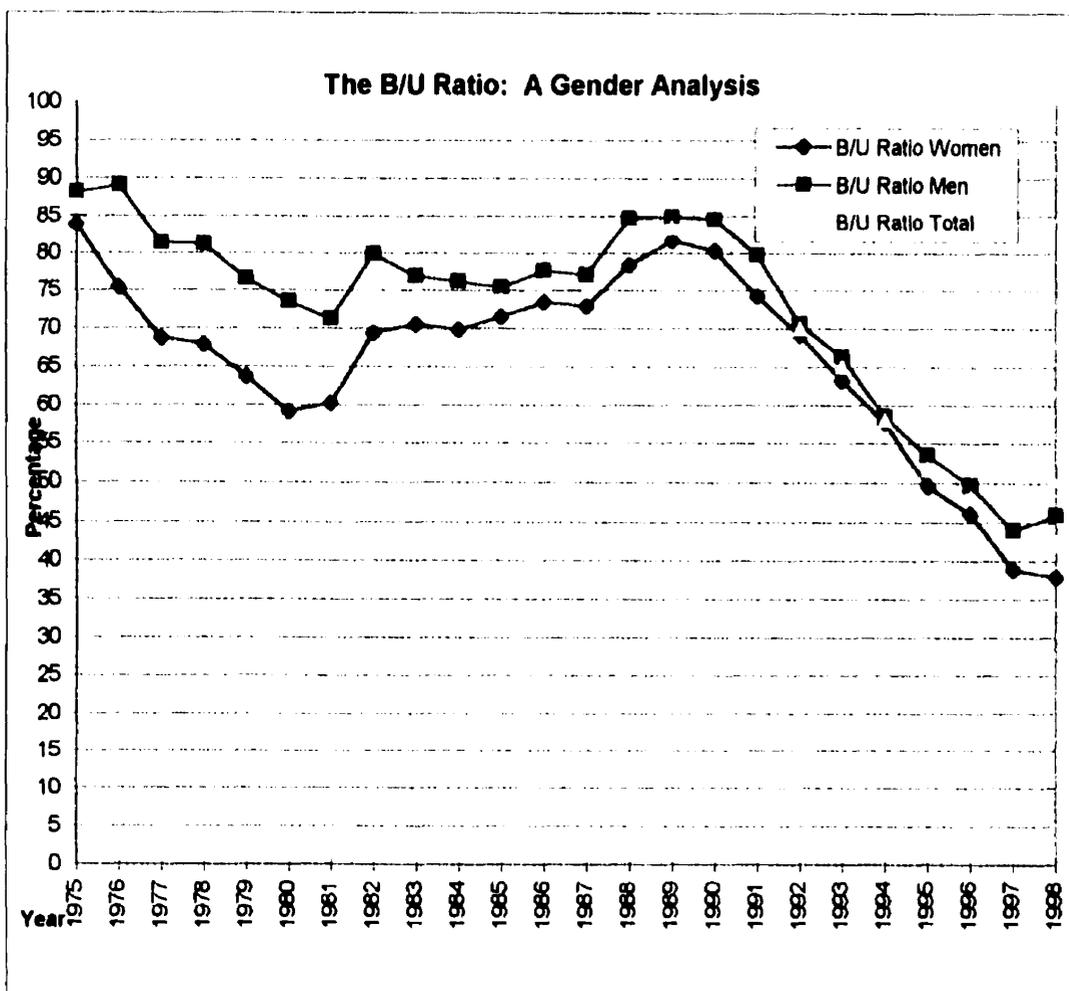
APPENDIX 37



Source: Archambault, Richard and Grignon, Louis. 1999. **Decline in the Youth Participation Rate Since 1990: Structural or Cyclical?** Ottawa: Applied Research Branch, Strategic Policy, Human Resources Development Canada W-99-1E

APPENDIX 38: THE RATIO OF REGULAR EI BENEFICIARIES TO TOTAL UNEMPLOYMENT (THE B/U RATIO):
A GENDER ANALYSIS

	B/U Ratio Women	B/U Ratio Men	B/U Ratio Total
1975	83.82	88.28	86.35
1976	75.39	89.17	83.11
1977	68.69	81.38	75.79
1978	67.89	81.20	75.22
1979	63.69	76.67	70.74
1980	59.05	73.57	67.07
1981	60.26	71.31	66.41
1982	69.43	79.91	75.69
1983	70.59	76.97	74.39
1984	69.83	76.24	73.52
1985	71.50	75.51	73.80
1986	73.43	77.69	75.76
1987	72.92	77.18	75.24
1988	78.39	84.71	81.72
1989	81.70	84.90	83.42
1990	80.33	84.59	82.72
1991	74.25	79.81	77.50
1992	69.15	70.60	70.00
1993	63.24	66.43	65.09
1994	57.69	58.54	58.15
1995	49.55	53.55	51.80
1996	46.06	49.77	48.12
1997	38.92	43.97	41.70
1998	37.93	45.96	42.41



Sources:

Historical Labour Force Statistics 71-201

Cansim Databases:

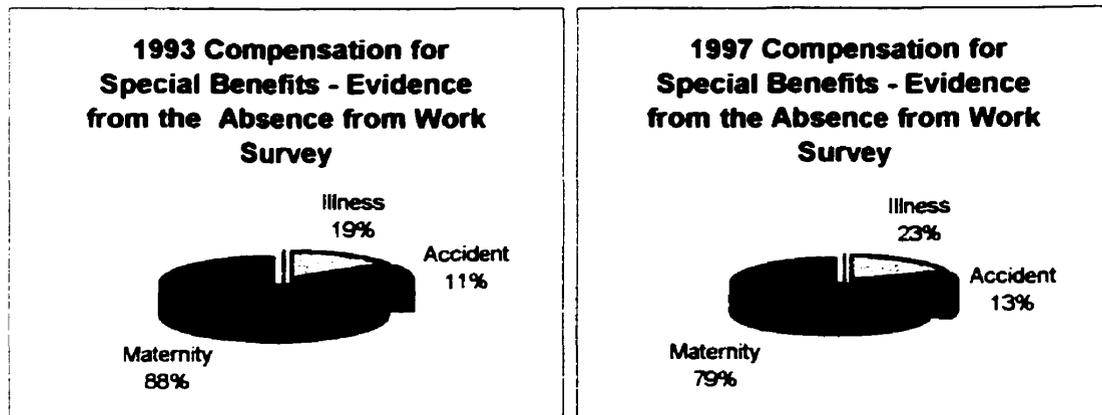
D980342, D767419, D767551 Unemployment Insurance Statistics 73-202S

**APPENDIX 39: UI Compensation for Maternity Absences -
Evidence from the 1993 and 1997 Absence from Work Surveys (AWS)**

Reason for Absence	1993			1997			Reason for Absence	
	1993 AWS	Collected UI	Reason for Absence	1997 AWS	Collected UI	Reason for Absence		
Illness	875/1881	170/875	Illness	19%	325/622	74/325	Illness	23%
Accident	523/1881	56/523	Accident	11%	139/622	18/139	Accident	13%
Maternity	483/1881	423/483	Maternity	88%	158/622	125/158	Maternity	79%
				650/1881 = 34.6%				
					217/622 = 34.9%			

In 1993, 1881 respondents were away for the reasons listed above.
Of the pregnancy leaves, 88 percent were able to draw maternity benefits

By 1997, the Absences from Work Survey indicated that only 79 percent of respondents drew maternity benefits



Incidence of UI compensation 1980-1997 - Data from the AWS Survey

Year	Proportion of Maternity Absences who received UI Compensation
1980	67.4
1981	72.8
1982	74.2
1983	77.6
1984	83.2
1985	82.0
1986	83.7
1987	84.6
1993	87.6
1997	79.1

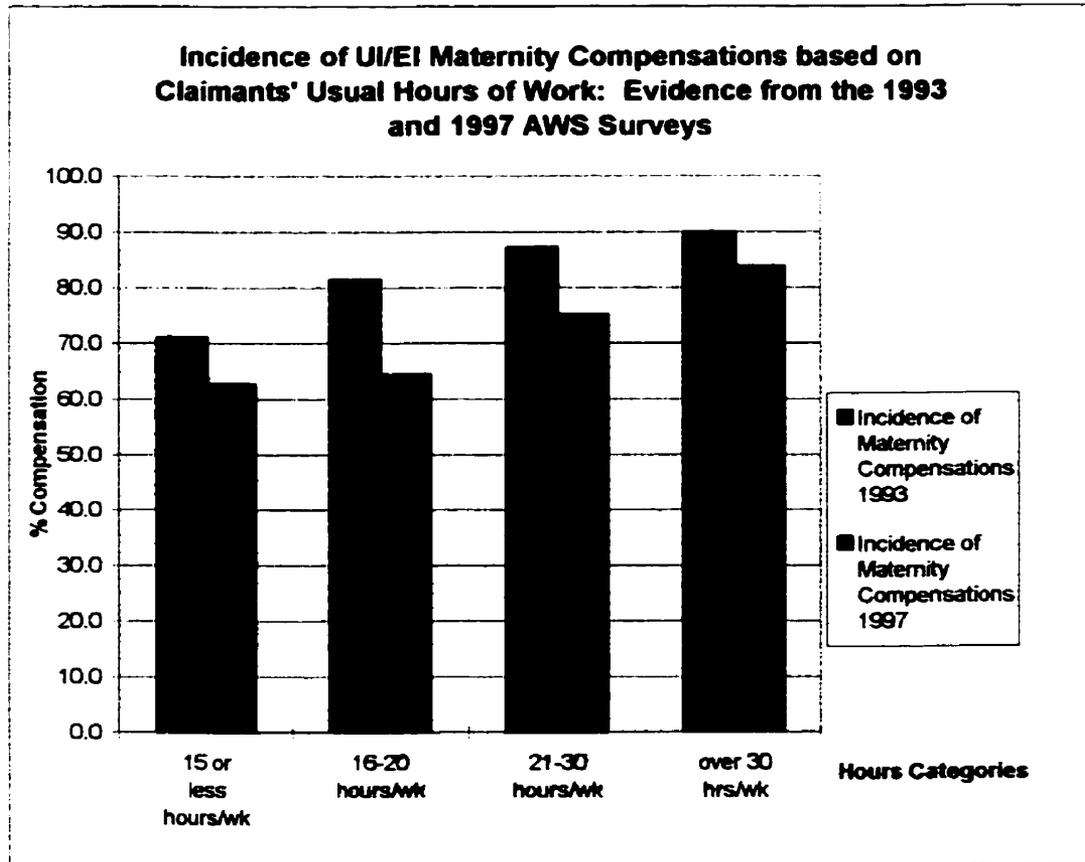
Data Sources- Moloney, Joanne. 1989. 'On Maternity Leave'. in *Perspectives on Labour and Income*. Summer, 1989.

Statistics Canada: 1993 and 1993 Absence from Work Surveys (AWS)

**APPENDIX 40: UI/EI Compensation for Maternity Absences -
Evidence from the 1993 and 1997 Absence From Work Surveys (AWS)**

**Incidence of
Maternity Compensations**

(based on usual hours worked)	1993	1997	% change
15 or less hours/wk	71.0	62.5	-12.0
16-20 hours/wk	81.4	64.2	-21.1
21-30 hours/wk	87.1	75.0	-13.9
over 30 hrs/wk	89.9	83.7	-6.9



The AWS data indicates that the significant losers in the 1997 UI changes were part-time workers, particularly, those claimants who worked between 16-20 hours per week.

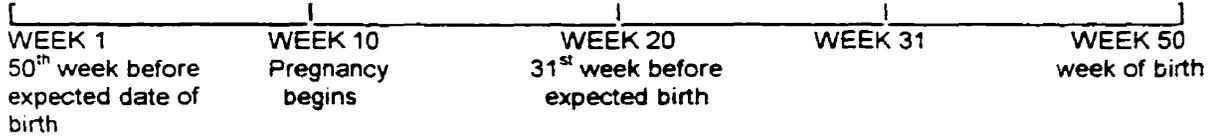
For many women, the changes may have occurred too quickly for these worker to alter their labour force employment patterns (ie: increase hours worked).

However, for those women who are involuntarily employed in part-time work, it may not be possible to supplement hours worked, in order qualify for EI Maternity benefits.

Data Source: 1993 and 1997 Absence from Work Surveys (AWS)

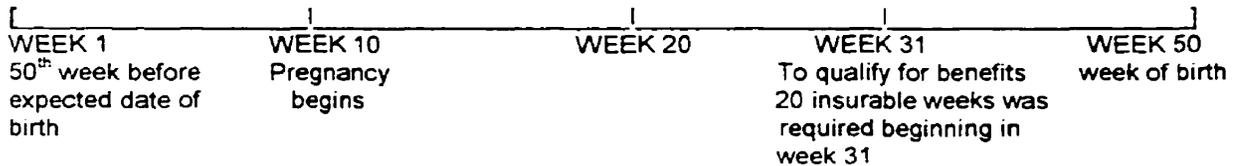
APPENDIX 41 - MAGIC TEN RULE

1971



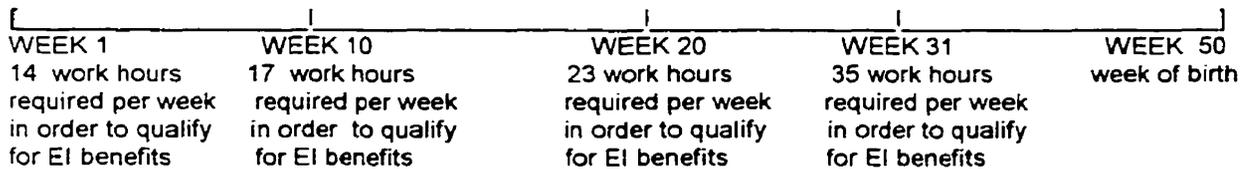
TEN INSURABLE WEEKS WERE REQUIRED IN THE 20-WEEK PERIOD BETWEEN THE 31ST AND 50TH WEEK BEFORE THE WEEK OF BIRTH; THIS MEANT THAT A WOMAN WOULD HAVE TO BE EMPLOYED IN WEEK 10, THE WEEK OF CONCEPTION.

1984

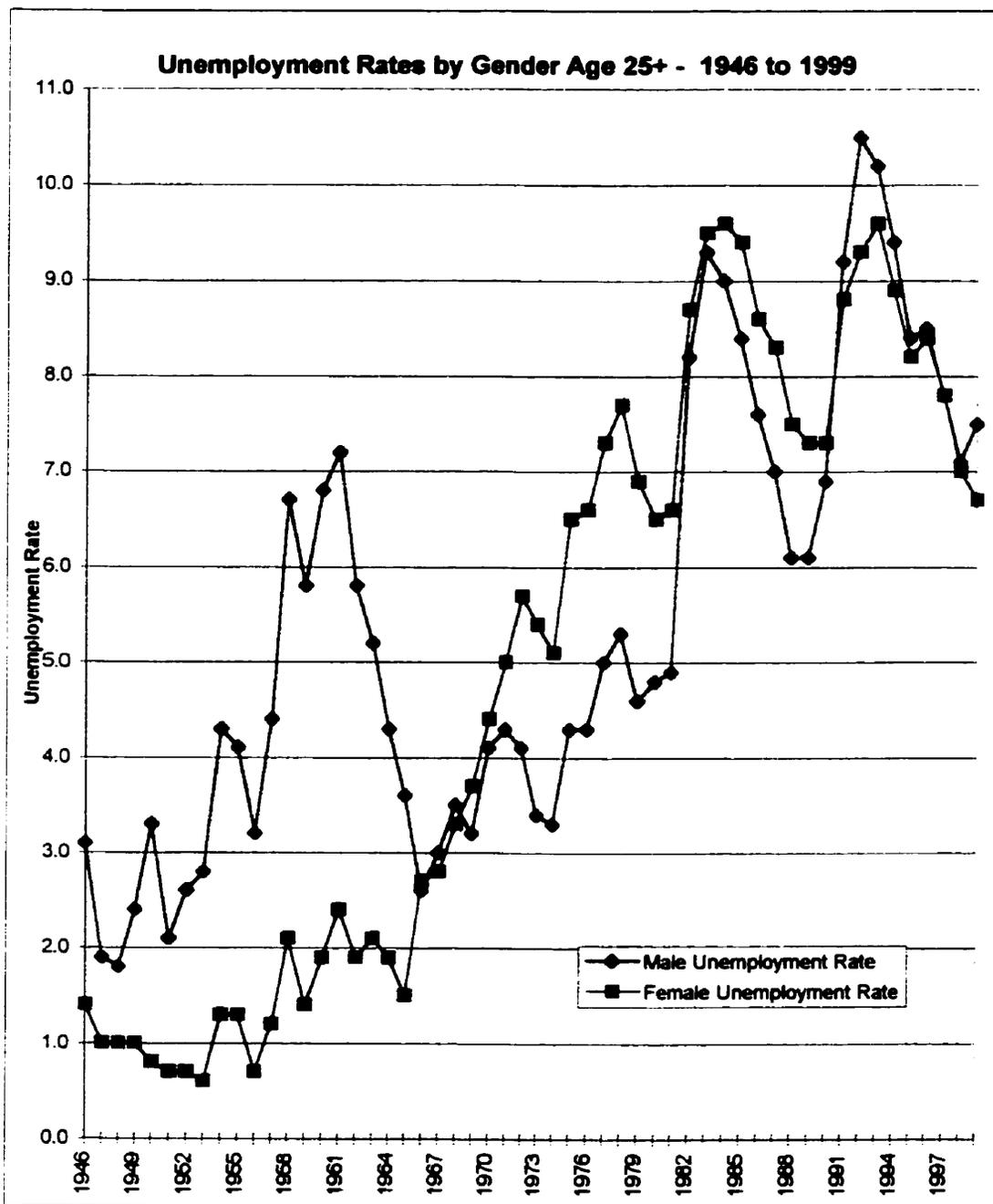


A WOMAN WOULD HAVE TO BE EMPLOYED STARTING IN WEEK 31.

1996 - EMPLOYMENT INSURANCE: THE HOURS-BASED SYSTEM



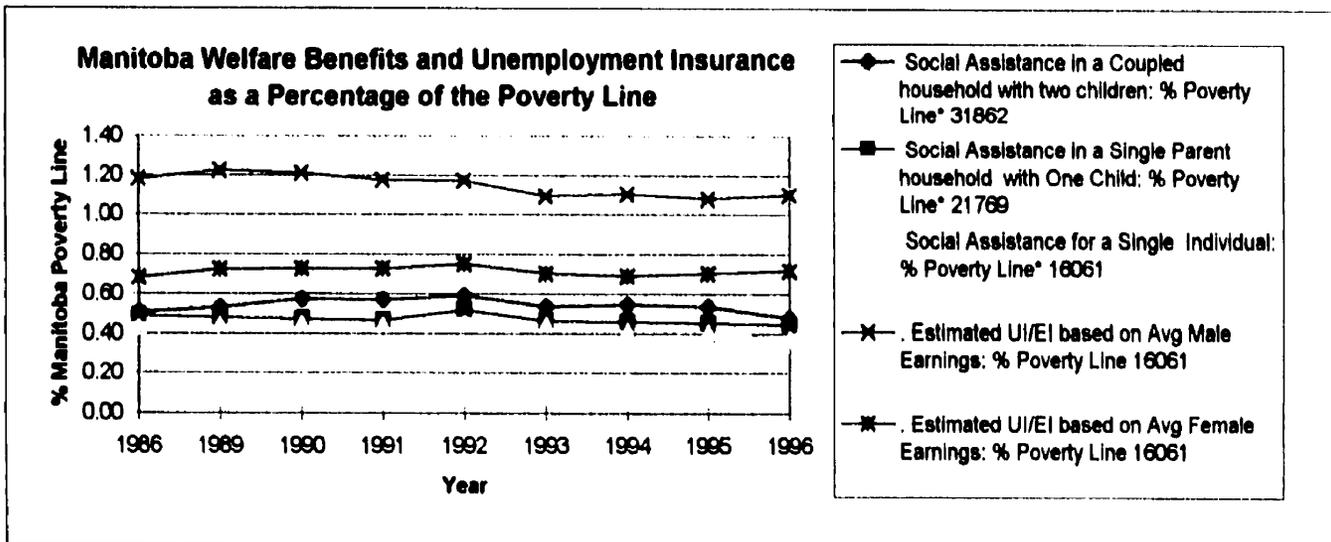
APPENDIX 42: 1946 - 1999: Gender Unemployment - Age 25+



Source: Statistics Canada - Labour Force Annual Averages 1995: Cat. No. 71-220-XPB

APPENDIX 43: Comparing Manitoba Welfare Benefits to UI Coverage

	Social Assistance in a Coupled household with two children: % Poverty Line*	Social Assistance in a Single Parent household with One Child: % Poverty Line*	Social Assistance for a Single Individual: % Poverty Line*	Estimated UI/EI based on Avg Male Earnings: % Poverty Line	Estimated UI/EI based on Avg Female Earnings: % Poverty Line
	31862	21769	16061	16061	16061
1986	0.507	0.490	0.430	1.186	0.682
1989	0.532	0.480	0.446	1.230	0.726
1990	0.573	0.474	0.452	1.215	0.727
1991	0.572	0.466	0.446	1.181	0.727
1992	0.590	0.517	0.455	1.177	0.752
1993	0.537	0.463	0.448	1.096	0.705
1994	0.546	0.459	0.416	1.105	0.688
1995	0.535	0.450	0.409	1.080	0.703
1996	0.479	0.443	0.378	1.104	0.716



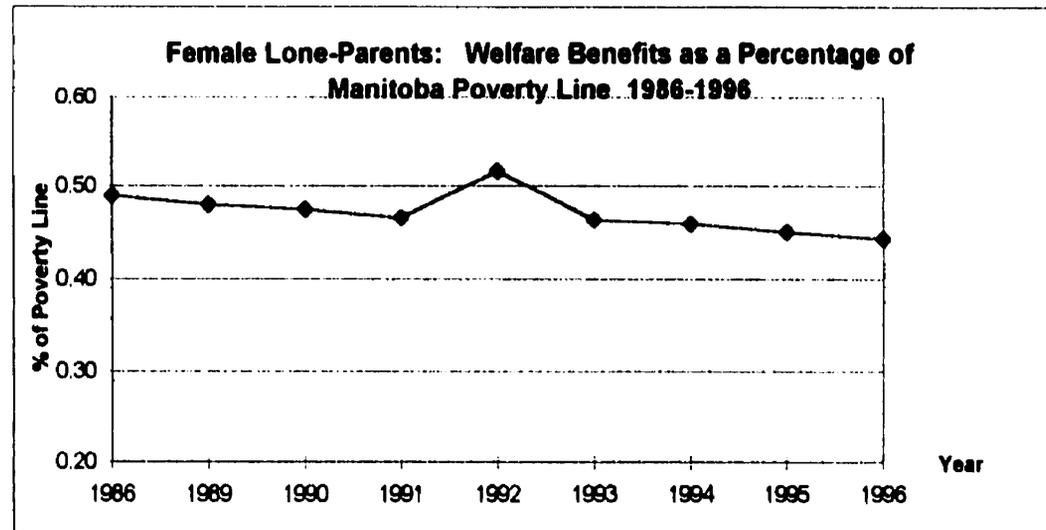
Sources:

Statistics Canada Earnings of Men and Women 1996
National Council on Welfare*: Welfare Incomes 1996

13-217-XPB

APPENDIX 44: Female Lone-Parents: A Comparison of Social Assistance and Average Incomes

	Average Female Lone-Parent Incomes*	Manitoba Welfare Benefits: Female Lone-Parents: one child	Welfare Benefits % of Poverty Line*
			21769
1986	24718	10661	0.490
1989	26631	10444	0.480
1990	25587	10325	0.474
1991	25681	10141	0.466
1992	27398	11244	0.517
1993	25943	10085	0.463
1994	27338	9993	0.459
1995	26779	9790	0.450
1996	27193	9636	0.443



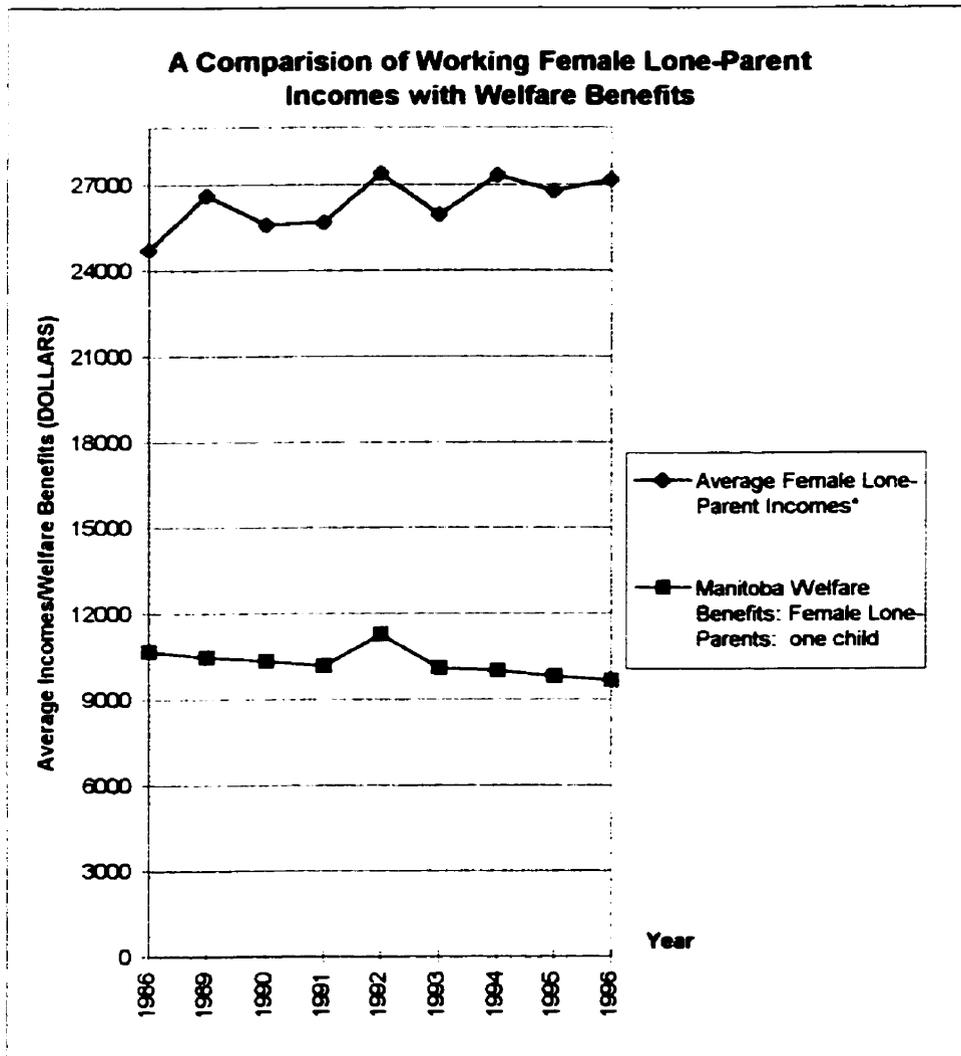
* mostly earnings, but the figures also may include other federal tax credits

Sources: Statistics Canada: Family Incomes Census Families Catalogue 13-208 XPB
National Council on Welfare: Welfare Incomes 1996

APPENDIX 45 Comparing Female Lone-Parent Incomes to Welfare Benefits

**Manitoba Welfare
Benefits: Female Lone-
Parents: one child**

Year	Average Female Lone-Parent Incomes*	Manitoba Welfare Benefits: Female Lone-Parents: one child
1986	24718	10661
1989	26631	10444
1990	25587	10325
1991	25681	10141
1992	27398	11244
1993	25943	10085
1994	27338	9993
1995	26779	9790
1996	27193	9636



Sources: Statistics Canada: Family Incomes Census Families Catalogue 13-208 XPB
National Council on Welfare: Welfare Incomes 1996

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