

# Family Poverty and Work/Family Conflicts: Inconsistent Social Policies

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## **Introduction**

In the past two decades major changes have occurred in the structure of family life, including the rapid influx of mothers into the labour force, a rise in separation and divorce, more one-parent families, increased rates of cohabitation and declining birth rates. Despite these changes, social policies have not accurately reflected the social and economic trends affecting family life. Nor have they resolved the growing conflicts many working parents experience between the need to work and to care for children.<sup>1</sup>

A number of social policies are still based on the assumption that women are men's financial dependents and that mothers are available to care for their own children during traditional office hours. However, attempts to reform policies and laws to take into consideration two-income families have sometimes moved to the opposite assumption, that husbands and governments no longer need to financially support women because they now are in the labour force.<sup>2</sup> In order to provide maximum benefit to families and individuals, social and economic policies need to reflect accurately family life, as well as to recognize gender differences in labour force practices.

In this paper, the nature of conflicts between work and family responsibilities, especially for female workers, will be discussed. After this, several examples of inconsistencies in family-related policies will be highlighted and some policy suggestions offered which could improve the economic well-being of both two-parent and one-parent families.

## **Declining Births and Work/Family Conflicts**

Although birth rates have been declining in Canada since the last century (if we overlook the temporary rise of the postwar baby boom), they have declined more rapidly since the 1960s. One important reason for this decline is the difficulty of combining paid work and family life when both parents are in the labour force.<sup>3</sup>

In the past twenty years, the labour force participation rates of young married women have risen dramatically. For example, among those aged 25 to 44, about 76.8% were working for pay in 1991 compared to 48% in 1975.<sup>4</sup>

A recent study from Statistics Canada revealed that Canadian employees are taking more and more time off work for personal or family responsibilities, and that this absenteeism is costing their companies a considerable amount.<sup>5</sup> Despite the fact that Canadian employees are increasingly women with dependent children, support services such as child care are not readily available to working parents.<sup>6</sup> Nor has leave for child illness or other family responsibilities been entrenched in federal or provincial legislation, except for Quebec's recent changes. Social policies have not caught up with labour force and family trends.

Although the number of subsidized child care spaces has increased considerably over the past decade it has not kept pace with the influx of mothers into the labour force.<sup>7</sup> Furthermore, child care is still funded as a welfare issue under the Canada Assistance Plan in which subsidized spaces are cost-shared between the federal and provincial governments for families "in need" or "likely to be in need". Middle-income parents must find their own care and pay the full price, which could be \$5,000 to \$10,000 per year for each child, depending on the province and place of residence.<sup>8</sup>

Child care funding has changed very little since 1966, when the Canada Assistance Plan was initiated. And yet, we have recently been told by the Minister of National Health and Welfare that the Canadian government cannot afford a new child care program because child poverty and child abuse are more pressing and serious issues than child care. He argued that the funds are not available to finance both programs, implying that money cannot be transferred from another area of government spending or that taxes cannot be raised.

In order to compensate for lack of regulated and licensed spaces, and to save money, many parents hire sitters or bring in neighbours or other family members even when they prefer licensed care.<sup>9</sup> Yet sitters are not always reliable or well-educated, and often are unwilling to provide the required receipts to enable parents to use the Child Care Expenses Deduction from federal income tax. Research is now making it very clear that employed parents reduce their productivity when they worry about the reliability and quality of child care or when they are absent for child-related reasons.<sup>10</sup>

Problems with child care services in Canada were well-articulated when the federal government introduced its National Strategy on Child Care in December 1987. This included legislation to take child care funding out of the Canada Assistance Plan and create a new Child Care Act (Bill C-144). According to the federal government, child care spaces would be increased. But critics (and there were many) argued that, unlike the Canada Assistance Plan, the proposed legislation would place a ceiling on funding new spaces and would actually reduce the number in provinces such as Ontario and Quebec where spaces have increased rapidly over the past decade.

Other critics were against funding for-profit care, and argued that government subsidies should be reserved for not-for-profit services. Others wanted national child care standards built into the legislation, improved wages for child care workers, and tax deductions for parents who care for their own children at home. In addition, some people felt that scarce resources would be better spent a national child care program rather than tax deductions for child care. When the bill did not pass through Parliament, and the welfare model of child care remained in place, the "child care crisis" temporarily diminished in the eyes of the media and federal government. However, advocacy groups continued to argue for improved funding; additional spaces; national standards; and equal tax benefits for parents caring for children at home, those using centre care and those hiring nannies.

In the 25 February 1992 budget, child care once again became a political issue. The maximum amount which working parents could deduct from their income tax for child care expenses was raised from \$4,000 to \$5,000 per child under seven, and from \$2,000 to \$3,000 for children seven to fourteen, if parents have the required receipts. While this is a substantial improvement for middle- and upper-income families, it is a regressive policy and counters the government's alleged concern about "child poverty". Although the government has argued that we cannot afford a more expansive child care system, with this tax deduction scarce resources are being used for families with higher incomes but more subsidized child care spaces are not being made available for those with modest incomes.<sup>11</sup> In addition, if we accept the validity of child care as a employment-related tax deduction, there is no reason why the actual cost of care cannot be deducted, as with union dues or expenses against self-employed earnings.

The Conservative party promise from both the 1984 and 1988 elections to create a national policy on child care has been laid aside despite the urgency of the issue. Clearly, there is an ideological concern about the acceptability of public child care to many Tories, as well as a concern about financing public child care. In addition, introducing a new federal/provincial cost-sharing program in the present political climate of constitutional wrangling would be very difficult.

Despite the lack of a national child care program, the federal government has offered maternity benefits since 1971 under Unemployment Insurance to employees fulfilling the provincial requirements for maternity leave. Maternity benefits are now paid for 15 weeks and 10 weeks of parental benefits are available for either parent. The benefit level is 57% of previous earnings (to a maximum), although some employers top this up to 90% or 100%.<sup>12</sup> Yet countries such as Sweden and France offer parental benefits worth 90-100% of previous earnings, and Sweden extends this benefit to either parent for eighteen months.<sup>13</sup>

Until very recently, biological fathers in Canada could not receive any parental benefits when their child was born (although adoptive fathers could). Now both adoptive and biological fathers can now claim up to 10 weeks of parental leave at child birth under Unemployment Insurance, if their wives do not use this leave. If the couple has to decide which one should accept parental leave, however, studies from Europe indicate that mothers usually do.<sup>14</sup> For one thing, it makes economic sense that women who generally earn lower incomes than their husbands are the ones making use of extended parental leave policy. In addition, fathers seem reluctant to take maximum leave for fear that their employer will think them less committed to the job or because they feel they have too much work to do.<sup>15</sup> Yet there may be negative implications for working mothers if fathers do not also use parental leave.

Both parents of dependent children now typically work in the labour force, yet many workplaces still operate as though employees have someone at home to care for their children. Many employers seem to assume that employees shed their personal or family responsibilities when they enter the factory or office door.<sup>16</sup> Neither have governments assisted working parents, as legislation requiring leave for family responsibilities is not available to most Canadian employees.<sup>17</sup> Federal public servants are entitled to such leave, as are employees in the province of Quebec where concern about declining birth rates has led to a series of new family policies.<sup>18</sup> Although union contracts in other provinces provide some leave provisions for family responsibilities, there is no legislation requiring employers to offer them.<sup>19</sup> Consequently, many parents (especially women) use their own sick leave and sometimes even their vacation leave to care for sick children.<sup>20</sup> In addition, most parents cannot help their children settle into a new child care arrangement, or visit their children's day care centre or school during operating hours because these are not considered justifiable reasons to be absent from work.

In comparison with Canada, Sweden offers parents time off work for a variety of family reasons, and the province of Quebec has recently expanded leave provisions for families with dependent children. These include the right to five days paid parental leave at childbirth, five days with pay for child-related responsibilities, up to one year unpaid leave for child care, and 27 additional weeks of paid leave for parents with three or more children.<sup>21</sup>

In a recent item in the *Globe and Mail* (under the caption "Amazing Facts"), it was noted that the number of vacation days an employee might reasonably expect after one year of employment is only ten in Canada, while it is 30 for Austria, 27 for Sweden, 25 for Denmark, 25 for France and 22 for Britain. Out of 21 countries listed, only Mexico ranked below Canada.<sup>22</sup>

While vacation leave affects all employees, parents with dependent children and those caring for disabled family members certainly need legislated leave provisions for family responsibilities. Considering that the number of school holidays far exceeds vacation leave at most places of employment, many parents experience regular child care crises, especially on professional development days for teachers and during school holidays.<sup>23</sup>

### **Child and Family Benefits**

While most European countries provide a universal benefit to help families raise children,<sup>24</sup> in 1993 Canada abolished the Family Allowance which was first paid in 1945. It could be argued that the federal government has been winding down Family Allowance for years, as its value has been allowed to decline in comparison to the average family wage.<sup>25</sup> Although this was partly because of higher wages, two-income families and fewer children per family, it also relates to the decision to abandon full indexing to the rising cost of living in 1986, and the move to partial de-indexing.

One of the much-discussed policies of the present federal government is that money for child and family benefits should be targeted to low and middle-income families. If family income is above a certain level, the government feels that individual family members do not need any government assistance. However, this is based on the assumption that income is equally distributed to all family members, which may not be the case. Women's groups who appeared before the Senate Social Affairs Committee discussing changes to family benefits in 1986 and in 1992 commented that the Family Allowance cheque was the only money that they were sure to receive and could control on their own. Margrit Eichler<sup>26</sup> has also argued that researchers and policy-makers have made a number of false assumptions about family life without any research to substantiate these assumptions, including the idea that earned income is equally distributed among family members. This assumption continues to be made in research such as the Luxembourg Income Studies, as children from higher income-earning parents are assumed to be better off financially than children from lower income-earning parents.<sup>27</sup>

Under the guise of income tax "reform" in 1987-88, the federal government made a number of changes to child and family benefits. Allegedly, this reform was to make the tax system more progressive, but it was also a way of reducing tax expenditures. For example, the Child Tax Exemption was changed to a non-refundable tax credit and in doing so, the government reduced its value.<sup>28</sup> In addition, the benefit for children over 18 was removed unless they are disabled, despite the fact that more young people now remain financially dependent on their parents while attending college and university.<sup>29</sup> Although the value of the refundable Child Tax Credit was

raised, the government lowered the family income at which the maximum benefit could be received, thus targeting the benefit to lower income families. Moreover, the refundable Child Tax Credit was partially de-indexed, thus ensuring its gradual erosion over time.

Although most family-related tax exemptions and deductions were changed to credits in 1988, the Child Care Expenses Deduction was retained as an employment-related deduction. Its value was doubled for children under seven and the family maximum of \$8,000 was removed. Although this most benefited families with higher marginal tax rates, the deduction is only available to families in which parents are either full-time earners or students, to parents with preschool children, to those able to obtain receipts, and in most provinces<sup>30</sup> to the lower income earner of a couple.

While the income tax deduction for a financially-dependent spouse was changed to a non-refundable credit in 1988, the reason for the difference in value between a dependent spouse and a dependent child remained puzzling. Most dependent spouses are women, who provide a variety of valuable services to their husbands and children even though they are financially dependent on their husbands. Are these women considered more of a liability or burden to the income-earner than children, or worthy of more support from the government's point of view? What is the rationale behind this discrepancy? If governments want to assist families to raise dependent children, why was the credit for a child worth only about \$110 in federal/provincial tax savings (for the first two children, and double this amount for third and subsequent children), yet a dependent spouse was worth almost \$1,416 in 1992?<sup>31</sup>

As fewer families can afford a dependent spouse, many people have questioned whether this benefit should exist at all. Some have suggested that a tax benefit should be available only to families in which the dependent spouse is also providing caregiving services which would cost governments money to provide themselves, such as caring for young children or disabled adults. This reform would give the clear message that the government recognizes the social value of caring for dependent people at home, rather than requiring day cares, hospitals or nursing homes to provide the service at a higher cost to the taxpayer.

The day after the 1992 budget was made public, the Minister of National Health and Welfare announced the government's plan to restructure child benefits. This involved combining the Family Allowance, the Refundable Child Tax Credit, and the Non-Refundable Child Tax Credits into one income-tested benefit, delivered monthly. In creating this new benefit, the federal government has decided to assist parents with childrearing only if parents have middle or low incomes. At the same time, the government has retained and increased the Child Care Expenses Deduction, which benefits

mainly higher-income families, thus contradicting the professed goal to target scarce resources to "child poverty". Thirdly, the new Child Tax Benefit pays its largest amount to the "working poor", who have average incomes higher than those on social assistance, and leaves poor families on welfare or unemployment insurance no better off than they were under the old child benefits system. Lastly, the new benefit is only partially indexed to the cost of living, ensuring its erosion over time.<sup>32</sup>

### **Poverty in Mother-Led Families**

Although poverty among elderly people has been reduced in the past decade through improvements to pension policies, there is growing government concern about "child poverty" in Canada.<sup>33</sup> Although researchers and politicians recognize that children are poor because their parents are poor, this politicized term prevents any connotations of "undeserving poor". Although parents can be blamed for preferring Unemployment Insurance or welfare to work, for refusing to enter training programs or for being unwilling to accept certain jobs, children are presumed to be innocent and always deserving of adequate income for food, clothing, shelter. Yet the terminology can also mask the real causes of poverty. By focusing on children, it sounds as though they will grow out of poverty or that we can eradicate child poverty by improving family benefits without requiring changes to labour market policies and practices or minimum wages.

As the cost of living rises and more families acquire two earners, one-parent families are even more disadvantaged than they used to be relative to two-income families. One-parent families headed by women are often cited as those most vulnerable to poverty, and therefore most in need of new policy solutions.<sup>34</sup> Women, as the heads of about 80% of one-parent families,<sup>35</sup> tend to be clustered in low-paying positions which are non-unionized and lack promotional possibilities. For example, only 28% of employed women were unionized compared to 37% of men in 1987.<sup>36</sup> Furthermore, women often work part-time in order to care for their children, or because full-time positions are not available. For a number of reasons, including movement in and out of the labour force for childbearing and childrearing, almost twice the percentage of women earn the minimum wage compared to men.<sup>37</sup> From 1975 until 1989, however, minimum wages as a percentage of average earnings have declined substantially in all jurisdictions of Canada.<sup>38</sup>

Despite equal pay for equal work legislation, equal pay for work of equal value, and employment equity laws, women still earn about two-thirds of men's wages. It is not surprising that employment equity laws, which were designed to be virtually unenforceable, have not substantially altered the position of women working under federal jurisdiction. New proactive legislation which does not operate on a complaint basis, such as Ontario's

“equal pay for work of equal value” legislation, may eventually be more effective in raising wages.<sup>39</sup> However, not all provinces have created this kind of legislation, and when they do, it sometimes covers only public sector employees.

Unlike some European countries, there is no special family benefit for one-parent families that is not available to all poor families, except the Equivalent to Married Credit. In Canada, single parents can use this credit for one of their children when filing their federal income tax. As we previously mentioned, this benefit was fourteen times more valuable than the non-refundable Child Tax Credit before it was abolished. However, the Equivalent to Married Credit is non-refundable, which means that it provides no assistance to the poorest single-parent families who are below the tax-paying threshold. Single parents may also be eligible for subsidized child care, if they are working, attending school full-time or are enrolled in government-sponsored job training programs. In addition, parents who do not have paid work or who are marginally employed may be eligible for provincial social assistance programs. Yet the incomes of many families have not kept up with the cost of living because of low social assistance rates and declining minimum wages.<sup>40</sup>

## **The Adequacy of Existing Benefits**

There are three comparisons we could make in answering the complex question about the adequacy of social programs. First, we could examine the consistency of social programs and the monetary value of benefits relative to living costs or wages in each province. Second, we could compare present Canadian policies and benefits to those of previous years. Third, we could evaluate Canadian policies and programs relative to those of other industrialized countries.

### *1. Inconsistencies Across Canada*

Because of the division of powers entrenched in the Constitution of Canada, jurisdiction for social assistance or welfare programs is a provincial matter. The Canada Assistance plan cost-shares programs for families “in need” or “likely to be in need”, including subsidized child care spaces, basic social assistance and additional benefits.

For families living in each province and territory, the National Council of Welfare<sup>41</sup> estimated welfare incomes for 1991. In this estimate, they included basic social assistance, additional benefits, Family Allowances, Child Tax Credit, child-related benefits, sales tax/Goods and Service Tax (GST) credits and provincial tax credits. The total welfare income for a single parent with one child ranged from \$3,283 in New Brunswick (NB) to \$8,083 in



Ontario. For a couple with two children, total welfare income ranged from \$11,721 in NB to \$22,034 in the Yukon.

The National Council of Welfare also measured the adequacy of benefits by comparing the total welfare income to the poverty line (as defined by Statistics Canada's low-income cut-offs). A single "employable" person on welfare could receive as little as 25% of the poverty line income if he or she lived in NB, or as much as 62% if he or she lived in Prince Edward Island (PEI). Similarly, couples with two children would receive 45% of the poverty line income if they lived in NB compared to 73% in PEI<sup>42</sup> As a percentage of the average provincial income, welfare incomes for single "employable" people ranged from a low of 16% in NB to 39% in PEI. For a couple with two children, the range was from 24% in NB to 41% in PEI in 1991.<sup>43</sup>

In addition to variations in social assistance rates, child care services, labour legislation, job training programs and social housing vary by province, leading to many inconsistencies across the country. It would be very difficult to create a uniform system of programs across Canada because, although the federal government would be the logical government to organize such consistency, these matters fall outside its jurisdiction. Furthermore, poorer provinces would probably argue that they cannot afford to raise social assistance payments without federal assistance, and that higher minimum wages would drive away employment.

## *2. Comparisons With Past Years*

When comparing present social programs with those of previous years, it depends on how far back we go. Compared to pre-Second World War Canada, the government-funded "social safety net" is now much more comprehensive and, of course, much more expensive. The state, rather than voluntary associations, churches, neighbours or families, now provides most income supports and social services. Federal programs such as Unemployment Insurance, Workers Compensation, Medicare, the Canada/Quebec Pension Plan, Old Age Security and all the provincial income-security programs have made great improvements to the lives of all Canadians, especially those with lower incomes. In recent years, however, governments and their advisors have targeted more social programs to low-income people because they felt that costs have become prohibitive. Some of these changes will undoubtedly save money in the short run, but long-term costs of allowing people to remain unemployed or living in poverty may not be adequately considered.

The new Child Tax Benefit and child care subsidies in Canada are targeted to low and middle-income families, eroding the idea that childbearing and childrearing have a social value and contribute to the nation's future development. In addition, some needy people have been left with lower

benefits and inadequate means to become self-supporting. For example, provincial welfare reforms in recent years have sometimes reclassified who is "employable", and single-parent women who would have been considered better-off at home caring for their children a decade ago are now considered to be employable in some provinces. Yet child care services are not always available to assist these women to enter or re-enter the labour force, nor are permanent jobs available.<sup>44</sup>

Eric Schragge<sup>45</sup> argues that welfare reform in Quebec, through the Parental Wage Assistance Program, has provided subsidies for parents working for low wages, thus encouraging low pay and cheap labour. At the same time, it reduced benefits for the childless and low-wage workers. On the other hand, the Employment Incentive Program provides benefits for the "deserving poor" (including custodial parents with children under six) but even these benefits are far below the minimum wage and the poverty line.<sup>46</sup>

Graham Riches<sup>47</sup> analysed welfare reform in Saskatchewan in 1984, reform intended to reduce the dependency on social assistance by single employable recipients and to provide equitable benefits for families and others unable to work. Welfare payments were redistributed in favour of families but this was largely achieved through cuts in the rates to single, employable individuals. Riches argues that rate increases have been insufficient, entitlements have been eliminated by the "reform", and benefits to families relative to the cost of living have actually decreased. Consequently, people have had to turn to food banks and other forms of private charity in order to survive. Federal and some provincial governments, in "reforming" social programs, are "robbing the poor to pay the poor".

Job training programs have not been effective in assisting people to become self-supporting because they so often train unemployed people for jobs that don't exist, for jobs that are disappearing, or for short-term low-paid work.<sup>48</sup> In addition, programs have been based on the assumption that finding a job is a matter of personal choice, either through the acquisition of skills or showing initiative, and have not always considered employment trends and discriminatory practices. When people train for new jobs, find work and move off social assistance, however, they need some guarantee that they can live on their incomes and that their jobs will continue. After all, procedures for getting back on welfare or unemployment insurance are time-consuming and bureaucratically complex.<sup>49</sup>

Although government income-security programs expanded in the 1960s and 1970s, the value of some benefits have been eroded during the 1980s and 1990s by changes in eligibility rules, rising living costs, and declining real wages. Changes in the structure of the labour force have reduced the number of full-time unionized jobs and minimum wages have been allowed to decline relative to average wages.<sup>50</sup> Governments have allowed employers to create

part-time and temporary positions without requiring equal prorated pay and benefits as full-time work. Women have been attracted to these part-time positions largely because of child care problems, which governments have done little to resolve.

There have been attempts to bring existing policies more into line with family and labour force trends, but competing advocacy groups<sup>51</sup> have sometimes prevented the introduction of new legislation or have reduced its effectiveness. Furthermore, governments have focused on issues such as making parents more responsible for child support rather than trying to improve employment conditions. For example, rising divorce rates and family law reform have increased poverty among divorced women and their children.<sup>52</sup> Changes in family law have replaced alimony with temporary spousal support or lump sum payments, yet women often do not have the same earning capacity as men. In addition, the lack of enforcement of child support has led to considerable public concern about non-custodial parents (mostly fathers) defaulting on child support payments. Under the new Ontario legislation, custodial parents (mostly mothers) will receive court-awarded support payments from the Ontario government after the government has asked employers to deduct the amount from the fathers' pay cheques. This new procedure should substantially improve the incomes of mother-led families who depend on court-awarded child support payments, but it does nothing to raise social assistance payments or minimum wages. However, Ontario's pay equity laws appear to be a step in the right direction in reducing labour force inequality for working women, although it is unlikely to contribute to rapid or dramatic changes.

Although we can find problems with all of our social programs, they are certainly more comprehensive for families and women than they used to be prior to the Second World War. Definitions of "family" have been broadened to include one-parent families, cohabiting couples and, in some cases, homosexual couples. Some real attempts have been made to consider gender equality, such as laws which require equal pay for work of equal value and equal division of matrimonial property after divorce. However, social policies have been more effective in diminishing poverty among elderly people with an attachment to the labour force than among young families or those outside the labour force.<sup>53</sup> This relates to the fact that there are three types of federal benefits for elderly people: a universal pension (Old Age Security), two targetted benefits (Spouse's Allowance and Guaranteed Income Supplement) and one work-related pension (Canada/Quebec Pension Plan). Yet, we now have only one targetted benefit for children, although there exists two work-related benefits available in certain circumstances: the child care deduction and maternity/parental benefits. Except for the

new Child Tax Benefit, young families not regularly attached to the labour force must rely on their own resources or social assistance.

### *3. Comparisons With Other Countries*

In comparison to other European countries, Canada's policies and programs for low-income individuals and families with dependent children are not as generous. Neither have they been as effective in keeping children out of poverty. Canada compares favourably to the United States, however. According to the Luxembourg Income Studies, the rate of child poverty for all Canadian families was 16.8% in 1981, compared to 24.1% in the United States. At the same time, Norway and Sweden have managed to keep their rates of child poverty at 5.6% and 5.2% respectively.<sup>54</sup> If we look at child poverty in one-parent families, the Canadian rate was much higher at 51.2%. While the child poverty rate in US one-parent families was 60%, Norway's was 13.7% and Sweden's was 9.8%.

Not only are child poverty rates higher in Canada than most European countries, but the Luxembourg Income Studies also indicate that child benefits are worth less in Canada, especially in comparison to other income sources. For example, O'Higgins, Schmaus and Stephenson<sup>55</sup> calculated that wages and salaries form 75.7% of gross income in Canada, and that child benefits (not defined in the article) are worth only 0.9%. If we add all cash benefits received from governments, this is raised to only 9.1% of gross income. In Sweden, by comparison, wages and salaries comprise only 64.5% of gross income, while child benefits form 1.3% and all cash benefits form 29.2% of gross income.

In a study by Oxley<sup>56</sup> the value of a universal family assistance benefit for a two-child family was calculated as a proportion of net average production worker's wages for 1984. Canada's was 3.3%, compared to 21.8% for Belgium, 17.9% for Austria, 13.1% for the United Kingdom, 11.7% for Norway, 10.7% for Sweden and 9.7% for France.

Considering all the rhetoric we hear from politicians about children being our "future resource", Canada is not doing much compared to European countries to assist parents to raise their children.<sup>57</sup>

## **Conclusions**

Although there have been major changes in Canadian social programs from 1979 until the present, families with dependent children (especially one-parent families) have not benefitted as much as elderly people. While the Old Age Pension and Guaranteed Income Supplement have made major improvements to the economic status of elderly people, the same cannot be said for child and family benefits. With the introduction of the new federal child benefit, which is not fully indexed to the rising cost of living,

the value of child benefits will decline steadily in the future, especially for families with average or above-average incomes.<sup>58</sup> One approach is to leave these families to rely on their own resources and to focus on an anti-poverty strategy. However, another approach would be to support all children regardless of their family income. This approach would further acknowledge the social value of all childrearing through a universal benefit to parents with dependent children.

The continuing poverty of children and their parents, unfortunately, cannot be solved easily through a few changes to family benefits. Numerous studies have indicated that poverty is related to unemployment and low-paying jobs, more specifically to declining minimum wages, the loss of full-time permanent jobs to part-time and temporary positions, childrearing responsibilities, lack of public child care services, and inequities in the labour force (such as job segregation and lower pay for female workers). Attempts to modify federal child and family benefits and to reform provincial social assistance programs have not given adequate consideration to these social and economic realities. Although there has been a tendency to use gender-neutral language in discussing "child poverty", we must acknowledge the part that gender plays in low employment earnings.

New policies to assist young families and individuals to be self-supporting need to focus on the following issues:

1. Governments and employers must remove the conflicts between work and family responsibilities, by, for example, providing affordable child care services and legislating adequate leave provisions for family responsibilities.
2. We all need to acknowledge that women's average wages are lower than men's, and governments must try to diminish the income gap through proactive legislation which is not based on complaints.
3. Governments must ensure that minimum wages and social assistance rates keep pace with the rising cost of living.
4. Legislation must equalize and prorate the wages and benefits associated with full-time and part-time work.
5. Child and family benefits must be fully indexed to the rising cost of living.
6. Job training programs should train people for full-time permanent positions, rather than temporary jobs.

These policy changes will assist parents to earn a better living, which means that their children will begin to be pulled out of poverty.

The priorities of governments, however, tend to be more attentive to the concerns of employers than to those of employees, especially in times of recession. Existing social programs have guaranteed a pool of cheap labour which helps keep companies in business, even though they may create higher

long-term costs for governments. With so many job losses in recent months and companies relocating out of country in order to acquire non-unionized and low-paid labour forces, government have little incentive to raise minimum wages or to force employers to pay women and men equivalent wages.

Governments are not totally constrained by labour market trends or a "globalized economy". They can and do make policy choices, based on the concerns of different interest groups and short-term costs. We need to convince politicians that the long-term costs of "child poverty" are too high to ignore. We also need to convince them that the consequences of allowing labour force inequalities to continue are potentially very serious not only for women, but for labour force productivity, for children's well-being and for the future birth rate. The continuing difficulties of working and rearing children are a major reason why women are having fewer children. In the long run, this could be a dangerous trend from the point of view of governments, one worthy of new policy solutions.

We do not necessarily have to wait for a stronger economy before we attempt to strengthen policies to alleviate family poverty and work/family conflicts. Money presently used on other types of policies (such as defence spending, self-employed deductions, or RRSPs) could be diverted into strengthening family support programs. The problem is persuading governments to re-evaluate their priorities.

#### NOTES

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