

# ISABELLA BAKKER

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## **BIOGRAPHY**

Isabella Bakker is a professor at York University where she was the first woman chair of the Department of Political Science. She is a leading authority in the fields of political economy, public finance, gender, and development, and her work was recognized when she was named a Fulbright New Century Scholar in 2004. She has held visiting professorships at a number of institutions, including the European University Institute, New York University, and the University of California, Santa Barbara.

She has also held consultancies with the Canadian and Ontario governments, the Commonwealth Secretariat, and the United Nations, as well as with numerous women's advocacy groups dedicated to advancing economic and social justice. She was nominated a Trudeau Fellow in 2009 and a member of the Royal Society of Canada in 2011.

Throughout her career, Dr. Bakker's policy and advocacy work has been committed to the enhancement of democratic dialogue, equitable global social change, and gender equality. She has consistently explored and developed new national and international mechanisms and processes needed to improve governance so as to promote the empowerment of women in an era of intensified globalization.

Her pioneering contributions in scholarly and advocacy work integrate public policy, economics, international studies, and gender-based analysis and have resulted in numerous articles and books, notably *The Strategic Silence: Gender and Economic Policy*; *Rethinking Restructuring: Gender and Change in Canada*; *Power,*

*Production and Social Reproduction: Human In/security in the Global Political Economy*; and most recently, *Beyond States and Markets: The Challenges of Social Reproduction*.

Her work over the last decade and a half has involved an increasingly important sphere of research: the complex interplay between gender and (international) public policy, and in particular how macroeconomics, especially fiscal policy, influences gender questions. Her continuing work rests upon the assumption, supported by research carried out by United Nations agencies, that more gender-sensitive and socially equitable economic policies produce better frameworks for human development. Her research agenda therefore addresses three broad questions: What policies contribute to more equitable, socially just, and sustainable development? What is the role of gender in the global economy, particularly given that the majority of the world's poor are women and children? And what is the link between macroeconomic policies, social development, and gender equality?

## **ABSTRACT**

Some 40 years after the Royal Commission on the Status of Women, today in Canada, most of the media, most members of the two major political parties, and the current government all seem to agree that Canadian men and women are equal now, and much of the focus of government programs is on the plight of women in other parts of the world, particularly those in the Global South.

Isabella Bakker critically examines these new directions in public policy to pose this question: is feminism still relevant for addressing questions of inequality in Canada? To do so means not only looking at the evidence since 1970 identifying the continuing institutional barriers for realizing women's economic empowerment, but also critically examining the dominant paradigms of economic policy that embody what Bakker has called "the strategic silence." This new paradigm of governance treats economic agents as generic in ways that virtually erase women and gender inequality as the subjects and objects of public policy. And this paradigm has not only influenced essential human rights commitments in the past, but is shaping also our society's future.



LECTURE

# “The Unfinished Business of Women’s Economic Empowerment: A Call for a New Economic Equity Commission”

Brock University

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## Introduction

I would like to use the occasion of this lecture<sup>1</sup> to argue for the formation of a national Economic Equity Commission to review our society’s and governments’ progress in tackling what Sam Bowles and Herbert Gintis refer to as the “mosaic of domination.”<sup>2</sup> The construction of a more just and democratic society involves the

1. I wish to thank Adrienne Roberts for her research and editorial help with this lecture. I have also benefited from a Standard Research Grant from the Social Sciences and Humanities Research Council and generous support from the Trudeau Foundation. Some of the initial ideas for this lecture were presented at the Canadian Federation for Humanities and Social Sciences annual congress in Ottawa in May 2009, in a session titled “25 Years After: A Retrospective on the Abella Commission and Employment Equity” organized by Dr. Malinda Smith. I wish to thank her and Shelagh Day for their support and comments. A more detailed discussion of the proposed equity commission will be published in Malinda Smith, ed., *Understudy: Equity in the Academy (Twenty-five Years After the Abella Commission)* University of Toronto Press, forthcoming. I am also grateful to Stephen Gill for his valuable comments and for the editorial guidance of Bettina B. Cenerelli and John Stocks.

2. Samuel Bowles and Herbert Gintis, *Democracy and Capitalism: Property, Community and the Contradictions of Modern Social Thought* (New York: Basic Books, 1986).

progressive elimination of familiar forms of structural or personal domination. Indeed, my argument calls upon our government to meet its obligations to fulfill economic and social rights as promised in the Charter of the United Nations and international human rights covenants—obligations we are required to meet under international law. I shall illustrate how recent Canadian governments have undermined the very conditions of these commitments through economic policies that have chipped away at the social provisioning that collectivizes risk. This has been accompanied by a politics of silencing equity groups as claims-makers in the public policy arena.<sup>3</sup>

It is almost three decades since the Royal Commission on Equality in Employment (1984), commonly known as the Abella Commission, delivered its conclusion that persons with disabilities, women, members of visible minorities, and Aboriginal peoples did not have fair, equitable, and transparent access to the job market.<sup>4</sup> The Abella Commission was propelled by a specific theorization of the nature of the Canadian political economy *as it actually existed*, and then generated a series of questions and debates about possible alternatives that would help to *mobilize progressive social change to achieve employment equity for marginalized groups*. Key to the commission's understanding of economic and social development was that national (and sub-national) levels of government bore a major responsibility for realizing the social and economic rights of all members of Canadian society.

3. For more on this, see Janine Brodie, "We Are All Equal Now: Contemporary Gender Politics in Canada," *Feminist Theory* vol. 9, n° 2 (2008), 145-164.

4. See <http://pi.library.yorku.ca/ojs/index.php/cws/article/view/12792/11875> to download the Abella Commission Report. I was very fortunate to work as a researcher for the Abella Commission. Judge Abella's bold vision and the analysis that supported her recommendations were part of a broader movement to forge a new set of debates around employment equity. It is in this spirit of democratic dialogue that I continue to conduct my policy and advocacy work for equitable global social change, human rights, and gender equity.

It seems to me that now is an opportune time to pose some very similar questions about the basic nature of the Canadian and global political economy in light of the changes that have occurred since the Abella Commission. This requires scrutiny beyond the scope of Abella's mandate and encompasses the broader institutions and policies that regulate economic and social rights. It also demands that we consider the profoundly interlinked crises of finance, environment, and social reproduction (which encompasses the daily and generational reproduction of labour, the caring for human beings, and the reproduction of values, norms, and lifestyles) that have been intensified by the recent global financial emergency and have raised widespread questions about the character of government responses. The massive sums of public funds directed at bailing out banks and financial institutions have quickly produced a series of austerity measures in OECD countries to reign in public spending. Opposition to such measures is most pronounced in countries dealing with sovereign debt crises such as Spain and Greece, yet a more general disquietude can be sensed at the level of transnational elites—the business, economic, and opinion leaders who meet at such venues as the World Economic Forum. They are signalling their own concerns about rising inequality as a pressing question for global public policy.<sup>5</sup> The sense is that increasing income disparity may not only be a driver of greater instability and crises of growing severity (e.g., food riots, rise of right-wing populism), but may also yield weaker economic performance. In the second part of my lecture, I will consider what has been called the “politics of austerity” and rising income inequalities.

This lecture will make the case for an Economic Equity Commission by reflecting on four sets of issues that relate to the changing political economy and social relations. These changes present both

5. World Economic Forum, “The Davos Debrief: Policy Priorities, Sunday 30 January 2011,” <http://www.weforum.org/>.

constraints and opportunities for realizing more progressive forms of social reproduction and gender relations. An Economic Equity Commission would engage the public through direct and indirect forms of democracy to address issues of exclusion, inequality, and the realization of economic and social progress.

*First, I consider the changes in the structure and nature of the Canadian labour force and unpaid care work, as well as the implications of these changes for women, who do the bulk of unpaid work.* One hypothesis holds that changes under neoliberalism have increased the “social exploitation” of working-class women—in contrast to middle-class women, who can partially offset their burdens of unpaid work in the home through “global care chains.”<sup>6</sup> One example of this is the hiring of foreign domestic workers by professional women to do their unpaid care work.

*Second, the new macroeconomics of austerity, meaning the austerity measures enacted to meet budget deficits following the economic emergency of 2008 to 2010, is interrogated.* This includes the prevailing macroeconomic model of reduced social expenditures and the practice of sound money, which has been the prevailing fiscal and monetary ideology of the genderless “self-help” society of the past few decades. It became obvious in 2008 and 2009 that this approach was a *political choice*. Enormous bailouts of banks and other corporations were endorsed when alternative policy options, such as fiscal measures that would have expanded social expenditures, were not pursued. Governments could have *chosen* increased fiscal outlays for education, health, and welfare that would have boosted effective demand and economic growth, in addition to mitigating the double burden on women in paid and unpaid work in a time of falling incomes.

6. Arlie Hochschild, “Global Care Chains and Emotional Surplus Value,” in *On the Edge: Living with Global Capitalism*, ed. Will Hutton and Anthony Giddens (London: Jonathan Cape, 2000), 131.

*Third*, this lecture explores *what alternative institutions and initiatives can be employed to make new progressive arguments that counter the macroeconomics of austerity*. I suggest that the time may be ripe for a new Abella Commission—an Economic Equity Commission—that is both national and international in its scope of inquiry and linked to a rights-based approach to public budgeting. A rights-based approach to public finances is embedded in a framework of rights and obligations designed to strengthen the capacities of rights-holders to make claims and of duty-bearers (state and non-state actors) to meet their obligations.<sup>7</sup> This introduces mechanisms, institutions, and policies of accountability and transparency in the budget process that can ensure the realization of entitlements and respond to the violation of rights.<sup>8</sup> While the Abella Commission principally focused on national questions, the intensification of globalization and its interlinkages means that a new commission will need to place the issues of gender equity and the progressive realization of social and economic rights in a truly global context.

*Finally*, a *new social and economic paradigm is proposed, as well as new policy proposals and priorities* that might be considered in order to facilitate progressive social reproduction and the fulfillment of key human rights commitments to women.

## **Changes in the Structure and Nature of the Canadian Labour Force and Unpaid Care**

Twenty-seven years after the Abella Commission, serious obstacles remain on the path to gender equity—one of the pillars of the commission's work. While the decline of the male breadwinner model

7. United Nations Development Programme, *The Human Rights Based Approach to Development: Towards a Common Understanding Among the UN Agencies* (New York: UNDP, 2003), <http://www.undp.org/>.

8. Isabella Bakker, *Fiscal Policy, Accountability and Voice: The Example of Gender Responsive Budgeting*, prepared as an Occasional Paper for the United Nations Human Development Report (New York: UNDP 2002).

and the rise of a new dual-earner reality for families has meant that greater numbers of women have entered the labour force (the employment rate in 2009 for women with children under the age of 16 living at home was 72.9 percent—nearly twice the rate of 39.1 percent in 1976), women in Canada continue to face discrimination in the labour market. For instance, the wage gap between male and female workers in Canada remains significant, with full-time female workers earning about 71 percent of what males earn. The gender wage gap is greater between women and men with university degrees than those without a degree.<sup>9</sup> In addition, while women have increased their representation in several professional fields (making up over half of the people employed in certain medical fields and business and financial positions), the majority of women continue to be employed in traditionally “female” occupations such as the characteristically low-paid service and retail sectors. Women are also more likely to be “precariously” employed in part-time, temporary, contract, and casual jobs, which characterized 40 percent of women’s employment in Canada in 2004 versus 29 percent for men. Women’s disproportional participation in such unprotected forms of work means that they are less likely than men to qualify for many benefits like unemployment insurance that continue to support only full-time permanent work and thus fail to provide for gendered differences in employment.<sup>10</sup>

Women also continue to take on the majority of unpaid work associated with social reproduction and have been disproportionately affected by reductions in state support for such services. The most recent edition of the OECD’s *Society at a Glance 2011: OECD Social Indicators* devotes a chapter to unpaid work inside and

9. Statistics Canada, *Women in Canada: A Gender-based Statistical Report, 1976 to 2009, Sixth Edition*, Document #89-503-X (Ottawa: Statistics Canada, 2011)

10. Monica Townson and Kevin Hayes, *Women and the Employment Insurance Program* (Ottawa: Canadian Centre for Policy Alternatives, 2007).

outside of households<sup>11</sup>. The study finds that the value of unpaid work amounts to about one-third of GDP in OECD countries. In all countries, women were found to do more unpaid work than men and the gender gap to average 2.5 hours per day, or 17.5 hours per week. Canadian women continue to perform on average 4.3 hours of unpaid work per day compared to 2.5 hours by men.<sup>12</sup> Care work is not valued in considerations of national resources, though estimates suggest it amounts to 30 percent to 45 percent of Canada's \$1.5 trillion GDP. While some families and individuals have turned to the market for the provision of homecare services, in many instances women have assumed the responsibility for this work. For example, Statistics Canada's 2005 General Social Survey found that in higher income brackets there has been a convergence between men and women toward a "genderless" breadwinner model, with the caveat that the work of social reproduction is secured through the market and done by women, often from the Global South.<sup>13</sup> The genderless breadwinner model continues to depend on women's labour, but the responsibility and risk for that work has been individualized and removed from the purview of states and capital.

In contrast, families at the lower end of the income scale are much less likely to subcontract the work of social reproduction. Only 7 percent of households earning less than \$40,000 paid for domestic help in 2004 compared with 43 percent of households earning \$160,000 or more.<sup>14</sup> This has led to a "double burden" for many poorer women who now work longer hours in both paid and unpaid labour. Given the persistent *feminization of poverty* in

11. OECD, *Society at a Glance 2011: OECD Social Indicators* (Paris: OECD, 2011).

12. No author, *Unpaid Work and Canada's Long Form Census* (Ottawa: Canadian Federation of University Women, 2011).

13. Statistics Canada, "General social survey: Paid and unpaid work," <http://www.statcan.gc.ca/daily-quotidien/060719/dq060719b-eng.htm>.

14. *Ibid.*

Canada and the high rates of poverty for female-headed single-parent households, these trends present considerable tensions for many women.<sup>15</sup> Indeed, as Brodie and Bakker conclude in a detailed report for Status of Women Canada, the continued fragmentation and erosion of the Canadian social assistance regime and the rise of tax-delivered social policies over the past decade (which do not benefit low-income women who often do not have enough taxable income to qualify for benefits) has left Canada's poorest—of whom women and children, Aboriginal peoples, and visible minorities represent a disproportionate amount—even poorer and more insecure.

Additional tensions associated with the increasingly marketized approach to care provision will only increase with the ageing of the population. It is estimated that by 2026, one Canadian in five will have reached the age of 65.<sup>16</sup> While increasing numbers of women have gained access to higher education and have achieved significant gains in the political sphere, they continue to be underrepresented in Canadian politics and most of its key social institutions. For instance, in the 2008 election, while a record number of women won seats in the House of Commons, their representation was a meager 22.1 percent (Canada currently ranks 45th internationally in terms of women's representation in the lower house of parliament) and visible minority and Aboriginal women were even further underrepresented.<sup>17</sup> By way of contrast, the Nordic countries have among the highest political representation of women in the world.

15. Armine Yalnizyan, *Canada's Commitment to Equality: A Gender Analysis of the Last Ten Federal Budgets (1995–2005)* (Ottawa: Canadian Feminist Alliance for International Action, 2005); Janine Brodie and Isabella Bakker, *Where Are the Women? Gender Equity, Budgets and Canadian Public Policy* (Ottawa: Canadian Centre for Policy Alternatives, 2008), <http://www.policyalternatives.ca/reports/2008/09/reportsstudies1962/>.

16. Health Canada, *Canada's Ageing Population* (Ottawa: Department of Public Works and Government Services Canada, 2002).

17. Julie Cool, *Women in Parliament* (Ottawa: Library of Parliament, 2008), <http://www.parl.gc.ca/content/lop/researchpublications/prb0562-e.htm>.

The Swedish political scientist Drude Dahlerup comments on this:

This increase took place largely during the last 30 years based on the notion of “equality of result.” The argument is that real equal opportunity does not exist just because formal barriers are removed. Direct discrimination and a complex pattern of hidden barriers prevent women from getting their share of political influence. Quotas and other forms of positive measures are thus a means towards equality of result. The argument is based on the experience that equality as a goal cannot be reached by formal equal treatment as a means.<sup>18</sup>

In short, despite women's greater numerical presence and the narrowing of broadly defined gender gaps, a system of concealed gender asymmetries and segmentation remains that places limits on women's access to income, authority, and power. While we can see a convergence at the most general level toward a model that relies on both members of a household to earn a living, there is still a strong divergence in how one earns a living, the rewards and entitlements that go with it, and the extent to which unpaid social reproduction work is carried out by women and men.

### **Beyond the Politics of Neoliberal Austerity**

Feminist economists have highlighted how neoliberal macroeconomic policies of balanced budgets and free markets have made it more difficult to reduce inequalities between women and men and intensified the burdens of both paid labour and unpaid work, producing an increase in the general rate of social exploitation.<sup>19</sup> The recent shocks to global capitalism have also prompted severe

18. Drude Dahlerup, “Using Quotas to Increase Women's Political Representation,” in *Women in Parliament Beyond Numbers* (Stockholm: International IDEA, 1998), [http://www.onlinewomeninpolitics.org/beijing12/Chapter4\\_Dahlerup.pdf](http://www.onlinewomeninpolitics.org/beijing12/Chapter4_Dahlerup.pdf).

19. United Nations Research Institute for Social Development, “Gender Equality: Striving for Justice in an Unequal World” (Geneva: UNRISD, 2005).

restrictions on public spending due to “fiscal squeeze”—less revenue due to trade liberalization and tariff reductions, declining tax rates on capital and high-income individuals, and a greater tax burden on workers.<sup>20</sup> The effect of fiscal squeeze has been the privatization of the institutions and mechanisms of social reproduction so that the care of the elderly, day care for children, and some aspects of health and other social provisions must either be paid for in the market or be carried out in the household, usually by women’s unpaid *work*, which the politics of austerity treats implicitly as the ultimate safety net.<sup>21</sup>

For example, in the United States, the fiscal squeeze has brought many states to the point of fiscal crisis: total shortfalls for all states through 2011 are estimated at \$350 to \$370 billion. As a result, over 40 states have imposed budget cuts that reduce vital services to some of the most vulnerable demographics, including women, children, the elderly, the disabled, the sick, the homeless, and the mentally ill. In California (where tax increases require a two-thirds majority in both houses of the state legislature to pass) then-Governor Arnold Schwarzenegger cut, \$6.3 million from the Department of Aging, \$7 million from the Department of Public Health, \$178.6 million

20. Isabelle Grunberg, “Double Jeopardy: Globalization, Liberalization and the Fiscal Squeeze,” *World Development* 26, no. 4 (1998), 591-605.

21. In this sense, feminists have argued that women’s unpaid labour operates as a form of what economists refer to as “moral hazard.” For mainstream economists and policy-makers, the problem of moral hazard arises when government subsidies and bailouts remove the compulsion for firms to act responsibly—in other words, when governments socialize the risks of big business as they have done in the context of the contemporary financial crisis. Feminist political economists have pointed out that women’s unpaid labour operates as a source of moral hazard as it expands to compensate for government cutbacks in social spending in times of fiscal austerity, and often in times of financial crisis. See Irene Van Staveren, *The Values of Economics: An Aristotelian Perspective* (New York: Routledge, 2001).

from a program offering health insurance to poor children, and \$16 million from domestic violence programs.<sup>22</sup>

The key point here is that the political and economic ideology of austerity appeared to be damaged as a result of the global economic and financial implosion of 2008 to 2009. The actions not only of the Canadian government, but also of its U.S. and OECD partners in responding to the collapse by means of gigantic financial bailouts of corporations and banks to the tune of approximately US\$17 trillion, shows that these were in fact deeply *political choices* and that resources can be mobilized if the political will is available and if the political choices are recognized.

It is now evident that neoliberals are seeking to impose new forms of fiscal austerity that will target the very social policies that enable the dignified living promised by the Canadian government as per its commitments under Universal Declaration of Human Rights (1948) and the Convention for the Elimination of Discrimination Against Women (CEDAW, 1979). We should be asking what the *opportunity costs* of the bailouts are in terms of the foregone alternatives. The funds could have been used to create institutions that more effectively remobilize the economy, mitigate rises in unemployment, and support the care and provisioning that underpin society and the economy.

### **Creating New Spaces and Institutions for Political Contestation of Budgets—A Call for an Economic Equity Commission**

The present crisis closes certain spaces for equity claims-making while opening others for the promotion of alternatives and the forging of a *new common sense* about what is desirable and possible if we take a rights-based approach to public finances as opposed to the fiscal austerity of the last few decades.

22. Jennifer Steinhauer, "California budget trimmed further," *New York Times*, July 28, 2009.

One potential mechanism for widespread participation and debate should be a new Abella-like commission of inquiry—an *Economic Equity Commission*. At the outset, this commission would reflect on what equity/inequality means in the current context of governance—questions of recognition, redistribution, and representation—as well as the prevailing neoliberal mantra of market citizenship. The focus of such a commission would be on the obstacles to achieving equity for all marginalized groups and the development of effective public policy responses to these challenges. In particular, an Economic Equity Commission would begin with a focus on changing patterns of income distribution and taxation in Canada.

One result of liberalization has been the reduction of direct taxes on corporations (and to an extent highly-paid mobile labour) at the expense of public goods and the collective costs of social reproduction. According to the OECD, the shift in direct income taxes and social security contributions has played a major role in exacerbating income inequality in its member countries over the last two decades. The change toward more regressive systems of taxation can be described as a double shift<sup>23</sup>: on the one hand, a reduction in the highest corporate income tax rates and less direct taxes for upper-income earners and on the other, an increasing reliance on broad-based indirect taxes such as value added taxes (VAT) that act as regressive penalties, since most people, irrespective of their income level, must pay these taxes on daily goods and services. In reality, this means that those at the lower end of the income scale pay a greater proportion of their total income in taxes than those at the higher end. More than 125 countries rely on some form of VAT—it is

23. I want to thank Stephen Gill for this insight. In future work I will link this double shift in taxation to the intensification of the double burden of women in paid and unpaid work.

the backbone of most of the world's revenue.<sup>24</sup> This double shift in tax regimes is a key contributor to rising income inequalities.<sup>25</sup>

Recent data on rising income inequality notes that in the large majority of countries, household incomes of the top 10 percent grew faster than those of the poorest 10 percent.<sup>26</sup> In fact, the current average income of the richest 10 percent is about nine times that of the poorest 10 percent. The empirical evidence acknowledges that tax-benefit policies

have offset some of the large increases in market-income inequality but they appear to have become less effective at doing so over the past 10-15 years. The authors of the report note that up until the mid-1990s, tax-benefit systems did offset more than half the rise in market-income inequality however in some countries taxes and benefits have become less redistributive during the past decade.<sup>27</sup>

The changes in redistribution are largely attributed to changes in benefit-receipt patterns and benefit generosity.

Conversely, the countries that have higher social spending are also those with more equal income distribution. The reduction in income inequality may reflect the fact that social spending partially offsets the rise in inequality caused by the market and other sources.<sup>28</sup>

In Canada, government indicators of well-being illustrate that income disparities increased after 1995. There was a rise in the after-

24. Caren Grown, "Taxation and Gender Equality," in *Taxation and Gender Equity*, ed. Caren Grown and Imraan Valodia (New York: Routledge, 2001). On VAT and the question of regressivity, see James M. Bickley, *Value-added Taxes as a Revenue Option: A Primer* (Washington D.C. Congressional Research Service, 7-5700, March 22, 2011).

25. Canadian Centre for Policy Alternatives, "Why Inequality Matters, in 1,000 Words or Less," <http://www.policyalternatives.ca/publications/reports/why-inequality-matters-1000-words-or-less>.

26. OECD, *Society at a Glance 2011: OECD Social Indicators* (Paris: OECD, 2011), 5.

27. *Ibid.*, 12.

28. *Ibid.*, 74.

tax income of the top income group and very little change for other income groups over the period 1995 to 2007.<sup>29</sup> The Economic Equity Commission would examine this changing trend and evaluate how tax reforms (e.g., tax cuts for upper income groups and increased reliance on value added taxes) and changes in the social policy regime have affected income disparities.

The second mandate of the commission would be to develop instruments and methods for linking resources to the realization of economic and social rights. Such an effort would build on existing civil society efforts such as those of the Feminist Alliance for International Action (FAFIA), which has been actively engaged in monitoring the Canadian government's compliance with the Convention on the Elimination of All Forms of Discrimination against Women (CEDAW) and other human rights obligations.<sup>30</sup>

29. "Income disparities shown as ratios (i.e., the top income group divided by the lowest or middle income group) reveal that families in the top 20% earned between 8.4 and 9.1 times more than families in the bottom 20% in the period 1976 to 2007. In the same period, families in the top 20% had an income 2.3 to 2.6 times higher than the middle 60%. In 2007, the disparities were among the highest in the previous 31 years, with the top 20% having an average income 9.1 times that of the bottom 20%, and 2.6 times that of the middle 60%." Human Resources and Development Canada, "Indicators of Well-Being in Canada," Government of Canada, <http://www4.hrsdc.gc.ca/h.4m.2@-eng.jsp>.

30. In a report prepared for the most recent United Nations review of Canada's compliance with CEDAW, FAFIA ([www.fafia-afia.org/](http://www.fafia-afia.org/)) pointed to a number of recent policies that violate the agreement, including the cancellation of federal-provincial/territorial agreements put in place to develop a national childcare system; the refusal of the federal government to introduce a new pay equity law recommended by its own Pay Equity Task Force and the Parliamentary Committee on the Status of Women; changes to the guidelines for funding women's organizations (preventing them from receiving funds for domestic advocacy activities or for any activities related to the lobbying of federal, provincial, or municipal governments); and the elimination of Status of Women Canada's Policy Research Fund.

The commission would have a mandate to concretize the links between international human rights commitments and national macroeconomic policies and how these meet or detract from the obligations by governments to respect, protect, and fulfill human rights in general, and women's rights in particular.

It needs to be emphasized that over the last few decades, Canada has been a signatory to a number of United Nations commitments to women's equality, human rights, and more inclusive economic development, such as the International Covenant on Economic, Social and Cultural Rights (ICESCR) (1966), the CEDAW, the Beijing Platform for Action (BPA), the Millennium Development Goals (MDGs), and, most recently, the United Nations Declaration on the Rights of Indigenous Peoples<sup>31</sup>. Canada has made commitments to integrate the goals of these international agreements into its policy plans. This includes the mobilization of resources to realize these objectives, as well as the monitoring of progress on the basis of the documented links between women's equality and broader economic and social progress. The proposed commission would therefore be completely consistent with Canada's obligations. It would examine the many ways that government could avail itself of the "maximum available resources," as expressed in the ICESCR (1966).

Recently this has meant an exclusive focus on budget expenditures at the exclusion of other key economic tools that can advance the realization of human rights—monetary policy, financial sector policy, taxation, and deficit financing.<sup>32</sup> A more expansive

31. <http://www2.ohchr.org/english/law/cescr.htm>; <http://www.un.org/womenwatch/daw/cedaw/>; <http://www.un.org/womenwatch/daw/beijing/platform/>; <http://www.un.org/millenniumgoals/>; [www.un.org/esa/socdev/unpfii/en/declaration.html](http://www.un.org/esa/socdev/unpfii/en/declaration.html).

32. Radhika Balakrishnan et al., *Maximum Available Resources and Human Rights*, prepared for the Center for Women's Global Leadership (New Brunswick, NJ: Rutgers, 2011), <http://www.cwgl.rutgers.edu/globalcenter/publications/marreport.pdf>.

consideration of what it means to use maximum available resources would focus on other determinants of resource availability in order to move toward equality by extending substantive benefits and protections in the economic and social realms.

The commission would also tackle the disconnect between commitments to human rights and political action through budgets. This disconnect exists for a number of reasons. First, there are fundamental differences between human rights thinking and the dominant governing philosophy of neoliberalism—the latter consciously seeks to undermine the idea of social collectivities and instead promotes an individualized market-based logic of self-help. Second, the disconnect stems from skepticism on behalf of the women's movement and the Left that the language and politics of a human rights strategy necessarily individualizes and depoliticizes social struggles and cannot challenge systemic inequalities. I would echo Nancy Fraser's insight that rights must be viewed dialectically: they are both a language of mobilization and an institutional device for translating social movement power into structural change.<sup>33</sup> From this perspective, the content and meaning of rights become a site of struggle rather than a given or fixed position. By linking rights to resources, a case can be made that there has been substantive discrimination in the application of the ICESCR that commits signatories to ensure an adequate standard of living through the use of the maximum available resources. Such a focus relies less on the legal architecture of the human rights state than on governments and central banks as key sites for directing financial resources toward the realization of human rights.

33. Nancy Fraser and Kate Bedford, "Social Rights and Gender Justice in the Neoliberal Moment: A Conversation about Welfare and Transnational Politics," *Feminist Theory*, vol. 9, n° 2 (2008).

### **Progressive Policy Proposals and Priorities: The Need for New Paradigms**

The need for such a shift in policy and a new paradigm for our dominant social and economic system could not be more pressing than in this current moment of widespread global financial crisis, economic meltdown and social dislocation. The call for a new “common sense” holds great appeal to politically significant segments of the population and has the potential to generate political mobilization and momentum as a movement for change. A new common sense would start with a critique of the existing order of things but would also involve progressive and constructive political proposals that move us beyond the present unequal, unjust, and economically less productive situation.

A critique might begin with a review of the existing policy initiatives that are associated with the global economic and financial crisis, which in most countries is also a profound social and ecological crisis. The effective socialization of the risks and losses of a small minority (big corporations and wealthy people) has meant greater downloading of risk to the vast majority of individuals as the institutions designed to socialize risk such as health care, unemployment insurance, and pensions systems become increasingly subjected to expenditure restraint, privatization, or mediation by stock markets.

Beyond a critique, a more democratic policy agenda would rest on several elements that I outline in detail below. The first set begins with a re-examination of the notion of equity in taxation. Second, the taxation principle of ability-to-pay needs to be related to more effective and encompassing forms of tax collection. This would also require more effective funding of tax surveillance systems to track forms of evasion such as corporate transfer pricing, tax loopholes, tax subsidies, and offshore havens. Third, systems of public finance need to be made more democratically accountable

through popular participation in budget formulation and auditing. Fourth, expenditure frameworks should be consistent with social justice and widening prosperity. This means recognizing that macroeconomic policies related to questions such as deficit repayment are also social policies that redistribute income, risk, and opportunity among different segments of the population. Finally, a progressive policy agenda must ensure that decent work is available and that the burdens of care are shared equally between women and men.

The following changes are some I propose:

- *Broadening tax structures and developing global institutional arrangements that prevent tax evasion and strengthen national tax regimes (preventing competition that may lead to a “race to the bottom”).* This would involve a series of measures. The first would seek to establish a more progressive tax regime given the links between stability, sustainability, and more egalitarian income distributions. The second would address the sustainability of the tax base through more equitable income distribution, the amelioration of the most immediate crises of social reproduction, and the fulfillment of substantive economic and social rights commitments. This would require more effective funding of tax surveillance systems to track forms of tax evasion such as corporate transfer pricing, tax loopholes, tax subsidies, and offshore havens. The Stiglitz Commission recently took a similar position, advocating that the UN Committee of Experts on International Cooperation in Tax Matters should be strengthened and upgraded to an intergovernmental body that would help root out tax evasion and corruption and repatriate illegal funds. The commission also suggested that certain international taxes could be earmarked for global objectives, including a carbon tax and a tax on financial transactions.<sup>34</sup> Proposals for a global currency tax—the so-called

34. United Nations. *Report of the Commission of Experts of the President of the United Nations General Assembly on Reforms of the International Monetary and Financial System* (New York: United Nations, 2009).

Tobin tax<sup>35</sup>—are designed to prevent speculative manipulation of currency transactions for short-term profit and to help to sustain consistent flows of capital to less developed countries. Revenue from such a tax could be used globally as a source for universal public provisioning of basic social services and to create a fund to realize gender-equality goals. It has been suggested that a portion of the revenues could be awarded to governments for the design of gender-equitable social protection systems.<sup>36</sup> The European Commission has recently called for such a Tobin-style tax on the EU's financial sector to generate direct revenue for its first trillion-euro budget.<sup>37</sup> Feminists also point out that a more progressive and equitable tax system needs not only to be inclusive, involving tax compliance for all, but also to be gender sensitive, particularly since different taxation regimes affect men and women across the social spectrum in very different ways.<sup>38</sup>

- *Facilitating greater public popular budgeting (e.g., gender-responsive budgeting) that would integrate social and economic policies as one, as well as introducing direct democracy into macroeconomic policies.* Since the mid-1990s, there has been a growth of such alternative budgeting processes, with more than 50 countries having engaged in some form of gender budget initiative. However, these initiatives require greater funding from governments and mechanisms to ensure compliance. In the Canadian case, the government has promised to undertake gender-responsive budgeting, yet no

35. The North South Institute, *The Currency Transaction Tax*, <http://www.nsi-ins.ca/english/pdf/CTT.pdf> (n.d.)

36. Isabella Bakker, *Financing for Gender Equality and the Empowerment of Women: Paradoxes and Possibilities*, prepared for United Nations Division for the Advancement of Women Expert Group Meeting on financing for gender equality and the empowerment of women, Oslo, Norway, September 4-7, 2007.

37. Ian Traynor, "EU calls for 'Tobin' tax in a move to raise direct revenue," *The Guardian*, June 30, 2011, main section, 30.

38. The latter requires support for expanding existing efforts to improve the collection of sex-disaggregated data and data on the gender bias in indirect taxes such as value added, consumption, and trade taxes.

systematic effort is under way and the governmental capacity to undertake gender-responsive budget analysis is on the decline.<sup>39</sup> In order to reverse this trend and to achieve equal representation in all stages of the budget process from a broad spectrum of civil society, increased funding for a range of organizations, including women's organizations and gender-quality experts, is needed. Gender-responsive budgeting must be part of the work of the Ministry of Finance and the Bank of Canada as part of the concerted effort to democratize macroeconomic policy-making.

- *Fully costing (global) human rights commitments and aligning these with (national) budgets to support policy coherence.* The proposed Economic Equity Commission would identify the key human rights covenants and methods for linkage.
- *Implementing decent work and equal conditions and wages for women and men.* A number of countries have already made commitments to promoting gender equality in the workforce—the European Employment Strategy (EES) launched in 1997 being one of the most ambitious—but more work needs to be done to develop policies that meet these objectives and strengthen enforcement mechanisms. As the International Labour Organization (ILO) has argued, ensuring equal remuneration for work of equal value (a fundamental right enshrined in ILO Convention No. 100) does not simply involve paying women the same amount as men but is also fundamentally about “redressing the undervaluation of jobs typically performed by women and remunerating them according to their value.”<sup>40</sup> Among broader structural changes, achieving this goal involves the development of job evaluations that are transparent and free from gender bias. In Quebec, for instance, all companies with over 100 employees are required to set up pay equity commissions of which two-thirds are employee representatives, 50 percent of whom must be women. In addition, as the ILO has outlined, creating gender equality in employment involves a recognition of men's caring

39. Brodie and Bakker, *Where Are the Women?*

40. International Labour Organization, *Equality at Work: Tackling the Challenges* (Geneva: International Labour Office, 2007), 74.

role (through paternity leaves, etc.), increasing the flexibility of schedules to make work more family-compatible, making available good quality and affordable childcare, and promoting a more equal division of family responsibilities between men and women.

These proposals and suggestions are fully consistent with the original intentions of the Abella Commission, yet they also recognize the increased interdependencies and inequalities of the current global political economy. For instance, in the context of the pressures to liberalize cross-border transactions in money, goods, services, people, and information, a “fiscal squeeze” or “structural gap” has created increasing pressure for further privatization to achieve fiscal balance. Feminists must be central to public debates to ensure that women’s economic and social rights, especially the rights of the poorest and most marginalized in Canadian society, are realized through public policies of finance.

Such a turn implies new forms of leadership whereby both women and men place questions of social reproduction at the centre of their private and public lives. It also requires that new structures and relations of democracy be both imagined and created. As the Brazilian experience of the Lula government illustrates, the answer to who should speak for economic policy and the public interest lies in direct and indirect democratic public engagement that addresses exclusion and inequality in an effort to promote greater dignity and social empowerment.<sup>41</sup>

41. Roberto Mangabeira Unger, *Free Trade Reimagined* (Princeton: Princeton University Press, 2007), 215.