



House of Commons
CANADA

Standing Committee on the Status of Women

FEWO • NUMBER 034 • 1st SESSION • 38th PARLIAMENT

EVIDENCE

Tuesday, May 31, 2005

—
Chair

Ms. Anita Neville

All parliamentary publications are available on the
"Parliamentary Internet Parlementaire" at the following address:

<http://www.parl.gc.ca>

Standing Committee on the Status of Women

Tuesday, May 31, 2005

• (1535)

[English]

The Chair (Ms. Anita Neville (Winnipeg South Centre, Lib.)): I think we'll begin and welcome everybody. We were waiting for one more presenter who may be arriving a little bit late through security or through her transportation, but I think we'll begin right now.

I'd like to welcome everybody, and I'd like to welcome back our visitors from P.E.I. We're beginning today a study on the possibility of parental benefits for self-employed workers, and it's the first meeting of this study.

I welcome both Michelle Genge Harris and Laurie Ann McCardle back today to make a presentation.

I'm sorry, I'm watching over your shoulder.

Is that Jennifer? Welcome. We'll let you get settled. We're just beginning now, and I'm going to begin with the Prince Edward Island delegation and then you can catch your breath and get ready.

Please go ahead.

Ms. Laurie Ann McCardle (Executive Director, Women's Network Prince Edward Island): My name is Laurie Ann McCardle and I'm the executive director at Women's Network P.E. I. With me is Michelle Genge Harris, who is the communications coordinator for our parental benefits project specifically.

We've had funding through the women's program at Status of Women Canada for the last two and a half years to do an in-depth review of parental benefits to look at what's working and what's not working, generally, for women. I know you're specifically interested in speaking to this issue from the perspective of self-employed women. Our research, of course, is much broader than that, so we will do our best to give you the background we do have for self-employed women in particular.

Through our research, we did quite a number of different pieces of original research. Our project is Atlantic in scope. We have an Atlantic coordinating committee supporting our work. We have partners in each of the four provinces that have worked with us that are all equality-seeking women's organizations.

We started out a couple of years ago by taking a look at what women in the communities were saying about what was working and was not working as far as parental benefits were concerned. This was at a time when the system had just been moved to one year and was still quite new, and we got a lot of feedback from women about what was working for them and what was not working for them.

At that point in time, it was the first we were starting to hear of self-employed women being able to opt into the system as well. So right from the beginning of our research, the idea of self-employed women being able to opt into the EI system started to be heard.

The other thing we did with our research was that as we were doing the qualitative research in focus groups by talking to women in the community and getting their perspectives on what was working and not working, we also did a gender-based analysis from a community perspective of what was working and not working with the legislation.

At that point in time we recognized that there were quite a number of groups of women by category who were not eligible for parental leave because of the need to be qualified for EI. So again, one of the major groups of women to come from that piece of research was self-employed women who don't have the option because they're not attached to the EI system.

From there we continued and did several other pieces of research, including an international best practices study and a qualitative evaluation of the current legislation. And again, the issue of self-employed women continued to come to the forefront in all the levels of research we did.

As we finished up all of our pieces of research, we brought 20 equality-seeking women's organizations from Atlantic Canada together, and collectively we went through all of our research, plus a body of knowledge that exists from others. Through all of that, we developed a list of recommendations. In our list of recommendations we also included self-employed women being able to opt in as our number one recommendation under a category for eligibility. So we were looking at who the women are who are not eligible—and the one group again that stood out was self-employed women—and if they had the ability to opt in, how many more women that would bring into the parental benefits system.

So we can bring to you today the knowledge we have through the research we've gathered on different levels, and we look forward to answering your questions. We really appreciate the opportunity to be here today and to share our research with you.

• (1540)

The Chair: Thank you.

Ms. Michelle Genge Harris (Communications Officer, Women's Network Prince Edward Island): I would just like to add, from a personal perspective, that I'm one of the women who was actually able to benefit from the maternity and parental leave. The year I was on it was one of the best of my life; it was wonderful. I was able to breastfeed for a year. It was a time when I wasn't anxious about getting to work the next day or being tired for work the next day. It was a time when I really didn't have to worry too much financially; I was living off 55% of my income, but I had a fairly decent income before. It really did work for me.

During that time, I didn't really want to look outside the box, because I really just assumed that everybody was able to benefit from this.

When I got into this research... They say that knowledge is power, but it's a burden, isn't it, when you really think about it? When you find information and you learn about things, you become convicted to make a change. Something that I learned that really surprised me was that 41% of women work in non-standard work arrangements, and among these women, it's either impossible or very difficult to qualify for this wonderful benefit that we have.

So I think it's something on which we really have to work together and to look at more research, in order to make this benefit more equitable for more women and families in Canada.

The Chair: Thank you very much.

Jennifer Beeman.

[Translation]

Ms. Jennifer Beeman (Member, Fédération des femmes du Québec): Good morning everybody. It's a pleasure to be here with you. This is the first time I represent the Fédération des femmes du Québec before this committee.

I am with the Conseil d'intervention pour l'accès des femmes au travail, or CIAFT, which is a member organization of the FFT, itself a member of the Regroupement québécois pour un régime d'assurance parentale. As you know, Québec is now on a different track since the new Act respecting parental insurance will take effect starting January 2006. This insurance plan is quite different from the EI program, even if both plans have similar limitations.

We are in an eminently technical phase. The minister in charge has just introduced a second bill amending the Act which was passed in 2001. So we are in a crucial phase regarding the establishment of the fund and the determination of premium rates. The act was amended, and important issues must be settled by the managing council.

I can describe the present situation in Quebec. We're extremely pleased with the new act. There are important issues at stake. I have not been given any preliminary documents, but I can answer your question relating to the Quebec act.

[English]

The Chair: Thank you very much.

We'll begin with our usual speaking order. You've all been to the committee before and you know that we have a prescribed speaking order and a designated amount of time. The designated time is for

both the questions and the answers, so if I cut you off, I'm not being rude; I am just trying to keep to the program.

Mrs. Smith.

Mrs. Joy Smith (Kildonan—St. Paul, CPC): Thank you.

Your presentations were very compelling. Thank you for coming today. It's a very important issue.

Michelle, I have to say that we've raised six children, and I can understand exactly what you're talking about.

Jennifer, I have a question for you. What are the issues relating to the implementation that you had some concerns about?

Ms. Jennifer Beeman: One of the major issues is the financing of the new regime. The financial situation of the provincial government is quite tight, and they're refusing to make any contribution to the new fund. About \$250 million seems to be missing in terms of what they're predicting will be the cost of the fund the first year and what will be in the fund due to contributions. So the funding of the fund is the number one issue.

Then there is a series of other issues. There's a managing council, a *conseil de gestion*, that has been given a lot of powers. It's going to determine the level of contributions, what the rate of contributions will be by employers and employees and for independent workers. That hasn't been established. They were going to work on that over... or they're expecting to have the final numbers for September. That is, of course, a big issue.

Then there's the composition of the *conseil de gestion*. Right now there are three representatives for the government, three for employers, two for unions, and one for independent workers. So non-unionized workers, the majority of the workforce, are not represented. We have been pushing hard for—and it looks like it will be announced soon that we'll get it—a position for non-unionized workers on the managing council. That's an important point.

In the law that was adopted in 2001, they slipped in something very infuriating. It wasn't in the project for the proposed bill. A woman who's on what we call *retrait préventif*—I don't really know what it is in English—and who's getting benefits from the Quebec health and safety board, by law, at four weeks before her due date, goes onto the parental leave program, which is at a reduced rate of benefits and also cuts off four weeks from her maternity leave. We are very upset by this, and we want this to be changed, because it's not the same issue. It was a concession to employers. In terms of what employers save in contributions to the Quebec health and safety board fund, it works out that what they save in the contributions to the CSST is the same increase they will have to make to the new parental leave program. This is unacceptable to us, and this must be changed.

There are issues in terms of how to make it fit with the other laws, specifically the Quebec minimum labour standards act. There are some issues to look at there, at how they align.

Those are the big issues right now, I would say. I don't think I've forgotten anything.

• (1545)

Mrs. Joy Smith: Thank you.

Has there been anything done on the scenario of, let's say, self-employed workers? They're not all entrepreneurs; they can be something else. It's a hard term to define.

With parental leave, is that only for maternity benefits, things like that, or is there any other kind of leave that can be granted? For instance, has anything been considered about further education, or about too much stress between home and work, anything like that?

Ms. Jennifer Beeman: That's an interesting question.

I think what's important in this law is that it's an important precedent. The parental leave program plan just applies for maternity and parental leave, but I think what's interesting in the law is that it creates a very interesting precedent for how independent workers... and as you say, it's a very broad category. It can be a translator who earns \$16,000 and it can be an entrepreneur who has several employees; it can be very different. They're all covered, and all will have to contribute. It's through their income tax that their contributions will be determined.

The government is coming up with a policy on balancing family and work. It's supposed to be coming out soon, and it'll be interesting to see how they.... This issue is coming to the fore, and here's a first case where, okay, we have to make sure these people are incorporated into a program that's a basic protection in our society. So the awareness that we have to make sure that these people are included in the policies we develop from here has been established, I think, or at least in Quebec it's been established.

• (1550)

Mrs. Joy Smith: Thank you.

The Chair: Thank you.

Madame Brunelle.

[Translation]

Ms. Paule Brunelle (Trois-Rivières, BQ): Good morning.

I am not very familiar with the parental benefits legislation. I wonder how contributions are calculated in the case of self-employed workers. Are they based on the previous year's income?

Ms. Jennifer Beeman: For the time being, yes. This is a very good question.

The reality of this type of work is that it can be very interesting in one year and extremely difficult the next. Would it be possible to go back three, four or five years in order to calculate a multi-year average? This is one thing the managing council will certainly consider. For the time being, it is only based on the previous year's income tax return. But the managing council has now been given more power after the amendment of the act. So this is an issue it will consider.

Ms. Paule Brunelle: When I got my last maternity leave, this was under the EI legislation. Is it still the case? This was a long time ago. My son is now 11 years old.

Ms. Jennifer Beeman: Up until December 31, 2005, if you have a baby, you are covered by the EI legislation. Starting on January 1st, 2006, the new system kicks in. For women who give birth in December, for instance, the benefits will not increase in 2006. It's a pity but this is how it is. There will be a break on January 1st, 2006.

Starting on this date, women in Quebec will be covered by the new plan.

Ms. Paule Brunelle: Will they receive 50% of their salary?

Ms. Jennifer Beeman: No, the benefit rates are much higher. In fact, there are two options: either 75% of the gross income for a total of 43 weeks or 70% of the salary for 33 weeks and then 55% of the salary for the last 25 weeks. What is very important and is often overlooked is that the maximum insurable earnings are much higher. Under the EI program, the maximum is \$39,000. In January 2006, it will be \$57,500 in Quebec. This is quite a difference. It is very important.

The documentation often focuses on the level of benefits but insurable earnings are extremely important because there is also the issue of men's contributions. This is now an economic choice. In a couple, the woman is most often the one that takes the parental leave since she earns less money. With higher insurable earnings, it will be interesting to observe how many men choose to opt in.

Ms. Paule Brunelle: Thank you.

How does this work elsewhere in Canada? Does the EI program apply? Are self-employed women excluded?

[English]

Ms. Laurie Ann McCardle: In the rest of Canada the way the self-employment scheme works is that self-employed workers are excluded. The recommendations we make are also for HRSDC to look at a way women in the rest of Canada could opt in, and after looking at the Quebec model and some of the international best practices, we've laid out very good examples of how that can be done.

Ms. Michelle Genge Harris: There also is precedent with self-employed fishers. They are allowed to collect maternity and parental benefits.

Ms. Laurie Ann McCardle: Again, it's based on net earnings, on looking back at income tax from the previous year or couple of years.

Ms. Michelle Genge Harris: So we do have a precedent to work from.

[Translation]

Ms. Paule Brunelle: The fishers model as well as the Quebec model may be applicable.

Do you know the percentage of self-employed women in Canada?

[English]

Ms. Laurie Ann McCardle: The numbers have been growing steadily over the years. Right now on average about 13% of all Canadians are self-employed entrepreneurs or independent workers, depending on which language you want to use, so it's quite significant.

One of the other things we'd like to have people consider in the opt-in is for both men and women to be able to opt in, not just self-employed women. Again, if self-employed men chose to opt in, they could access part of the parental benefit, a family benefit rather than one just for women.

• (1555)

[Translation]

Ms. Paule Brunelle: Do you believe there are more self-employed people among the younger workers? When you start to work, sometimes you are self-employed before you can find a job. Did your research show this? I think if there are more self-employed young women, they would have a greater need for parental benefits.

[English]

Ms. Michelle Genge Harris: Yes, the majority of self-employed women, 59%, are between 20 and 45, the child-bearing years, so it is something we really have to look at for the future.

The Chair: Thank you.

Ms. Torsney.

Hon. Paddy Torsney (Burlington, Lib.): I'm following up on Ms. Brunelle's question. If this was an optional system, the very people who are going to choose to do it are the very people who are going to want the system. The current system actuarially counts on the fact that I haven't taken parental leave—not me as an MP but me as an employee—that is, they count on certain people not using it. If we had an optional system and I was going to want these special benefits, including parental leave, maternity leave, and compassionate leave, it really wouldn't be as sound as the current system, which calculates benefits as a percentage of what they count on getting from all the employees.

I think the only way you could make the case would be that it would be for all EI benefits and that self-employed people would just have to start paying the double hit, as they do right now with CPP.

Ms. Laurie Ann McCardle: We would say we didn't look at it from that perspective for our research purposes.

When we were here a few weeks ago, we did have the opportunity to be part of a round table with HRSDC. One of the comments the director for EI made also pertained to the issue of how long you'd have to pay in before you'd be eligible for benefits. He also asked, once you've worked your hours and have been able to make a claim, would you be able to opt out of the system at that point?

Of course, again, we're interested in women being able to access the benefit, and we weren't looking at it from that total perspective of how much money the government makes on the system for general revenue.

This was the perspective they were bringing to it, so one of his questions was then, would you create a system where self-employed people who want to draw out benefits have to opt in and stay in for a period of time? Of course, we just haven't been back in the office long enough to investigate that, but that was the perspective the EI officials brought to that question as well.

Hon. Paddy Torsney: I have some friends who have a business, so they're both entrepreneurs, and they had to think about, do we put

one of us on an employee basis so we can get benefits when we have children? Now that they've finished having children....

I think the actuaries have to get in here and decide, but I would imagine it gets too complicated to have voluntary contributions just for the special benefits. You'd have to have a mandated system that offered all the benefits of EI—income support, training, all of it—for self-employed people, because otherwise you'd really be switching the basis on which it's all done. I'm not opposed to that; I just think we need to be clear that it's not quite as simple as offering support.

Ms. Michelle Genge Harris: I think in order for it to be conducted properly there does have to be quite a bit of research done into the mechanisms, but there is a way of doing it.

Hon. Paddy Torsney: For sure, and the financing of it, and then seeing the development of the support.... I do think the special class of EI benefits is benefiting more people through the parental leave process, compassionate leave, and sickness benefits. It has a broader range; it's not just income replacement, and the training component could be important to more people who are in the workforce.

About the preventative leave clause you were talking about, Ms. Beeman, I don't believe any other province has that, and that could be part of the difference.

• (1600)

Ms. Jennifer Beeman: No other province has, on their health and safety board, that a woman, if they can't reassign her...? No other province has that?

Hon. Paddy Torsney: I don't believe other provinces have that kind of leave provision, so that's why there may not be an English translation. It is unique. That's where you get this twist in the funding mechanism, where you take the federal portion of that month, because nobody else has that protection.

Ms. Jennifer Beeman: We're going to work this out.

Hon. Paddy Torsney: For those who are keeping track, there is something where if you're in a high-risk environment where it's deemed that perhaps there's an unusual rate of radiation or something to your body, it would be safer for someone's fetus to not be around that.

Ms. Jennifer Beeman: But what happens is that 90% of women who ask for protective reassignment are sent on preventative withdrawal, because it's difficult.... For the employer, it's easier to just send the women on to the CSST than reorganize the workplace. So it's done kind of systematically, instead of requiring employers to make their workplaces safe for their workers, including their pregnant workers.

Hon. Paddy Torsney: Just move her out.

Ms. Jennifer Beeman: Exactly, so that's what's happening. They just move her out.

Hon. Paddy Torsney: I'd like to think that in the rest of the provinces we'd just move her out, but I'm not sure.

Ms. Jennifer Beeman: For the independent workers it's not optional in Quebec, precisely because of the funding. There's a question of whether they're going to even have their own fund. They don't want it to be double the contributions.

Hon. Paddy Torsney: Right, because that would make it expensive.

Ms. Jennifer Beeman: Exactly.

Hon. Paddy Torsney: In fact, some of my self-employed friends figured that rather than opting in and paying for all those years, it was better to just bite the bullet and create their own little fund of income replacement for the year. Unfortunately, so many women aren't able to get pregnant when they want to, and they could opt in to some program and never benefit from it, unless it was from the other pieces of the benefits like compassionate leave and what have you.

Ms. Jennifer Beeman: So the idea of not making it optional is also to help the women who are at the bottom of the scale, for whom it's hardest to contribute, and spread the cost of having children across a larger spectrum of society.

Hon. Paddy Torsney: That brings us to the broader debate that some parts of the world have. My American friends ask why I would have a year's parental leave, since it's my choice to have a child. To that I say it's in all of our interests that those kids are born and that their mothers and fathers are supported.

Ms. Jennifer Beeman: It's very much in all of our interests.

Hon. Paddy Torsney: So it's a philosophical thing that needs to be decided. It's philosophical, and actuarially it has to be sound.

Ms. Michelle Genge Harris: In a lot of our research we look toward international best practices, so we never really look down south. We look—

Voices: Oh, oh!

The Chair: Ms. Crowder.

Ms. Jean Crowder (Nanaimo—Cowichan, NDP): Thank you, Chair.

I want to make a couple of points before I ask my question. You started your presentation by saying that 41% of women are now in non-standard work arrangements. Any of the information we see coming out of places like the Conference Board of Canada and whatnot talk about the fact that a shrinking part of the population is going to be in full-time, full-year employment, but our employment insurance system hasn't adapted to recognize the differences in the workplace.

Although we're specifically talking about maternity and parental benefits, I think there's the much broader issue of how employment insurance addresses those needs. The second piece of that is if a gender-based analysis had been conducted—and I know I've said this before, but I'm going to repeat it—on the Employment Insurance

Act in 1995 when the changes were made, we wouldn't be having this conversation today.

I note that a fellow by the name of Clyde Hertzman from the University of British Columbia has done extensive work on children aged zero to six. He says that for \$1 we invest in early childhood development, we save \$7 in the long run. It's well-documented information.

I notice that the committee has slipped into talking about mechanics, but what I'd really like you to do is articulate what the benefits are in ensuring that women and men have access to maternity and parental benefits. What are the clearly defined benefits? Why would we want to do this? I think it's important that we're on record. I know why, but I think we want to be publicly on record why we want to do this.

Maybe we could have Laurie and Jen both do that.

● (1605)

Ms. Laurie Ann McCardle: I'm going to start by making a couple of comments on your comments and that will lead in.

When we talk about the non-standard work arrangements, it's true that our world is changing, our economy is changing, and EI is only one mechanism. One of the things we heard women say, very clearly and repeatedly, when we did the focus groups was, "What does having a baby have to do with my work history?"

In the community, individual women aren't seeing this connection. They go to work and they work hard every day and the person next to them goes to work and works hard every day. They both bank a different amount of money, so their own babies get a different amount of benefit out of it. One of the things our advisory committee was clear about when we were talking about this and developing our recommendations was that, yes, there is an economic component to having a baby and needing the income replacement, but there is a really big social component to both parental benefits and to having a baby.

We were looking to develop recommendations that covered both pieces of this, that showed the economic value as well as the social value. Right now, in making our recommendations, we would say the best we could hope for is to tinker with the EI system. It is limited and only helps the people who pay in and are eligible. But all those women who don't pay in aren't eligible. They have never been attached to the workforce and are left dangling. So where can a social program at a federal level help address that picture as well?

These are some of the games we were playing among ourselves in trying to figure out how to develop the recommendations and what we need to bring forward. We developed recommendations that give you the short-term EI now. But we also look at broader, longer-term pictures around the national caregiver strategy that would allow you to bring together all of our country's family support policies—parental benefits, national child care program, compassionate leave, and so on. Right now, SDC would probably be a perfect place for some of that to happen. We need to recognize that the federal government has a role to play, not only in the economics but on the social side as well. Those were some of the things I wanted to talk to you about.

The other thing is, when parental benefits legislation was developed, a GBA was done. But we weren't told that Finance had the final word and how it was going to unfold. Now you've gone much farther with GBA, and departments are buying into it in a really different way. I would hope that now, as you're making recommendations and looking to change, one department wouldn't have so much control as to be able to say that the other departments' GBA isn't worth looking at, and that the economic issue is more important. We hope this will bring more even power, and that the GBA might be listened to this time around. That's sort of where we are with some of that.

With respect to benefits, Michelle talked about this a little bit. As to what it does for women and their babies, I think the big-term, long-term picture you talked about is the \$1 invested for the \$7 back. You see this not just with health promotion and early childhood. You also see it across all the justice and criminal activity as well. So there's a really big picture of the one dollar invested now. It saves us in health issues, child issues, and justice issues. It saves us across the board in the long-term big picture. That dollar invested now has a really huge return down the road.

Ms. Michelle Genge Harris: I guess I could tell another personal story. I've talked a lot about my first experience with parental and maternity leave since beginning this project, but I've also had a second experience with the maternal leave portion.

I had a baby who passed away three hours after he was born, and I don't have to tell you how much of a devastating experience that was. But during this time when I felt that there were a lot of forces against me—maybe God, maybe nature, what have you—I was informed at the IWK Children's Hospital where I was that I would be able to qualify, and they recommended going on the maternal leave portion. I did, and I really can't explain how much of a sense of comfort it was that while all these forces were against me, my country—"O Canada"—was there for me.

You know, you have different roads and paths that you can choose in your life, and I think that was a turning point in my life where I could have turned into a broken person; I could have turned into a bitter person. But because of this benefit, I'm a very much more convictive person for other people to be able to share in this.

I think during these times it's very easy to talk about what we're doing wrong in Canada, but there are things that we're doing right in Canada. There are things that this government is doing, that Canadians are doing, that all of you are doing that are right. I think

what we have to do is ensure that this "right" is available to more women—on record.

• (1610)

The Chair: Thank you very much.

We're going to come back to you on the next round, if you don't mind.

I have Ms. Smith and Ms. Grewal.

Mrs. Joy Smith: I just have one question for you, and this is to Laurie.

Laurie, you said that 13% of the self-employed are women, yet in your briefing you said that the growth is 26% over a 10-year period, which is quite phenomenal. The need is absolutely there.

Now, provinces can opt out of EI special benefit coverage, as the Province of Quebec has done. In your opinion, is it more beneficial or preferable to move toward provincial parental insurance programs or to change the EI program nationally?

Ms. Laurie Ann McCardle: I think from the perspective of our project, it would be more important to have a strong federal system.

One of the issues that women face across the country right now is that on every issue, at every level, we're advocating for change with our provincial governments. I think if this devolves so that every province is going to have its own system, what you're going to have is much more inequity across the country. You're going to have rich provinces that can invest more money in their women and their families and poorer provinces that just can't keep up. That inequity is just going to continue to build at every level.

I think one of the things we'd also like to say, though, is that the Quebec model is a standard. It does provide so much more, and it's more in keeping with a lot of the international best practices. I think there's a lot that the federal government could gain by looking at the Quebec model in offering more to all women across the board, keeping it equitable for all women.

Mrs. Nina Grewal (Fleetwood—Port Kells, CPC): Could you please identify some international best practices that this committee may wish to examine in considering questions of maternity and parental benefits?

Ms. Laurie Ann McCardle: One of the really good examples is Spain, not so much for exactly what they ended up doing in their parental leave package, but for the reason they chose to develop the parental leave package the way they did.

One of the things they were looking at was the huge level of out-migration to neighbouring countries, where other countries around them were offering much better packages to support both parental benefits and families. So their own country was losing its knowledge economy through out-migration. They looked at what they needed as a country to keep their women there, to keep their child-based system there, to build their democracy and their nation. That was one of the things they looked at, how to really improve their own system in order to keep people at home and keep their economy strong from there.

•(1615)

Ms. Michelle Genge Harris: I don't know whether you have access to our interim report, but appendix B has a listing of a "Summary of International Best Practices". Also, on our website, www.wnpei.org, we have another bit of information on international best practices that you can access.

The Chair: Thank you.

Mr. Powers.

Mr. Russ Powers (Ancaster—Dundas—Flamborough—Westdale, Lib.): Thank you very much for coming. Your report has to be translated into the two languages. That's part of the reason we don't have it.

Ms. Laurie Ann McCardle: We do have it translated. Status of Women Canada did it for us. We can forward it to your assistant. It doesn't need to be redone.

Mr. Russ Powers: That's wonderful. Thank you.

My question is, in doing your analysis—and not having seen the report I'll probably ask the stupid questions with regard to this—what options did you pursue? Is the direction to include this in the enhanced offerings in EI? Was that the best determination based on your analysis? What other options were investigated?

There's one I can think of off the top of my head, but it involves people participating in private programs and being able to write it off under taxation abilities, as you do RRSPs or RESPs or things such as that. Perhaps you could dig through that, please.

Ms. Michelle Genge Harris: We have 11 recommendations, and 10 of them deal with the EI system, because it is the mechanism that is in place. The 11th is more of the big picture—the continuum of care—if we were to extend it, say, to Social Development Canada or another process of delivering the program.

Ms. Laurie Ann McCardle: Russ, I think one of the reasons we didn't look at an individual opt-in kind of program is that it really sets itself up for being more available than for people with higher incomes and less available for people with lower incomes. I think what's really interesting about parental benefits, the way they're set up now through EI, is it's one of those benefits that don't work for people in higher income levels any more than for people in lower income levels.

Normally, as a women's group, we're advocating for women below the poverty line. In this case we have a recommendation that actually advocates for women in the higher income brackets, to have more of their earnings insured, so that they can actually make more money while they're on parental leave so they don't lose such a large amount. It's one of those.... It gets people from both sides, the way it is now.

One of the things our policy advisers were advising us to look at in this is that the current climate for policy is around tinkering; that there's not an appetite for starting fresh, because of the amount of money involved in creating that whole new system right away. The recommendation that came to us and to our committee was to recommend ways to tinker to improve accessibility, to improve the amount of money women would get, to improve the labour codes within provinces that the leave is protected under, and then to make the bigger-picture recommendation from there. That's the sort of

approach we took from the best knowledge that was given to us as a starting point.

Mr. Russ Powers: I would suggest you downplay your contribution in using the word "tinkering".

Ms. Laurie Ann McCardle: Okay.

Mr. Russ Powers: I would suggest you've made a major suggestion for appropriate change.

Ms. Laurie Ann McCardle: Thank you.

Mr. Russ Powers: Thank you.

That's it for me.

The Chair: Thank you.

Madame Bonsant.

[*Translation*]

Ms. France Bonsant (Compton—Stanstead, BQ): Good morning, ladies. As you know, I am from Quebec. In a period of 35 years, I have collected EI benefits for less than eight months. The government has a virtual EI fund of \$46 billion. Given the present decrease in the birth rate, I think it would be a great way to invest our tax dollars.

I have a question for you. In view of the parental leave that is taking effect on January 1st, 2006, did you consider removing the two-week waiting period?

Ms. Jennifer Beeman: This has been done. The two-week waiting period has been removed.

Ms. France Bonsant: I have another question. What happens in the case of close pregnancies? Young women are in heavy debt when they finish school. So they have children when they are older. These women start a family and get pregnant almost immediately. They have children with an age difference of only a year or 14 months. Would they be penalized with respect to parental leave?

Ms. Jennifer Beeman: Yes, if they do not return to the labour market. In order to collect benefits, they have to contribute for a minimum income of \$2,000. The minimum income required to access benefits is very, very low. Of course, if you only contribute for an income of \$2,000, the benefits are very small. The situation is still the same: you have to work, be a participant in the labour market in order to access the benefits. No doubt about that.

A new coalition was established in Quebec to consider this issue and come up with a universal program for all women who give birth. The goal is to ensure that every woman is covered either by the parental insurance plan or by some other arrangement.

As you said, there are women who get pregnant a second time while they are still at home and who do not have access to benefits. They may also be denied this access for other reasons, for instance, if they did not work.

This is a new struggle we have embarked on.

•(1620)

Ms. France Bonsant: I had a similar situation in my previous job. The woman in question was on maternity leave when she became pregnant a second time. Her second maternity leave was extremely costly because she did not have access to benefits.

Given the present decrease in the birth rate, I think we may be able to increase the birth rate by helping these women, whether they are employees or self-employed.

My daughter is a self-employed worker. She was always told that even if she contributed to the EI program, she would not collect any benefits. What is really interesting in the new legislation is that she would be able to opt in. But she must first contribute.

Please keep up your struggle.

Ms. Jennifer Beeman: I think many people will observe what happens in Quebec and will analyze statistical variations, including the birth rate, after the new plan kicks in. This will not happen in the near term, but gradually, over many years.

As to men's participation in the parental leave program, there is a five-week paternity leave that is not transferable to the mother. In other terms, the couple will lose this leave if the father chooses not to take it. In the case of a lesbian couple, for example, the other mother is eligible for the parental leave.

The legislation contains some provisions which are extremely interesting. I think this is going to be a very interesting data source for determining the impact of a truly progressive social policy on people's behaviour.

Ms. France Bonsant: I suppose it is the same in the case of adoption leave.

Ms. Jennifer Beeman: Yes.

Ms. Paule Brunelle: I have a comment, Madam Chair.

I want to emphasize the social value of maternity. I am definitely getting closer to retirement age and I really want someone to be able to pay for my pension.

What I also find interesting in the concept of parental leave is that men are getting involved. More and more young men are finally experiencing what it means to stay at home with the kids. This is a radical change of attitudes in our society.

As for compassionate leave, it is obvious that we have an increasing number of seniors and people increasingly want to keep them at home. Women are often the ones who care for seniors, at their own cost. It is important to be able to access some help. Older women are the poorest in our society. I think it is extremely important that we help them.

Ms. Jennifer Beeman: I fully agree with you.

To answer Ms. Crowder's question, I was going to say that, in my opinion, maternity leave is important because it is a matter of equality for women. This is truly a basic measure. Women are participants in the labour market. We are present. This is a truly fundamental measure for women's equality in society.

The role of men in the family is also rapidly evolving, but it does not show in statistics. If you ask the Canada Revenue Agency who is using parental leave or benefiting from measures taken to balance family and work, you will find out that it is by far women who do.

However, things are changing. Policies like this one can really help get more men involved.

[English]

The Chair: Thank you.

Ms. Crowder.

Ms. Jean Crowder: Thank you, Madam Beeman, for adding that piece because I think it's important that we articulate that this is a fundamental issue around women's equality.

Ms. Beeman, what are some of the challenges that we need to be aware of if we were going to make a recommendation around parental leave, maternity leave, and self-employment?

• (1625)

Ms. Jennifer Beeman: I would say that the issue is slightly different in Quebec. I don't know the extent to which there will be resistance from employers. If it requires an increase in contributions, there will be significant resistance. It's a challenge to overcome that to make sure there is a real consensus in society that this is a very important thing to do and that the current level of benefits and the level of maximum insurable income is not acceptable as an equality issue for women and for the well-being of families, the two combined.

The question is on putting together how the financing is going to work. Will it remain an actuarial system based on contributions? It means that people will necessarily be excluded. It means there will be significant inequalities for people at the bottom of the labour market, unless you pay a lot of attention to what you're going to do for the people at the bottom of the labour market.

Quebec has adopted the measure that's in the employment insurance program, where low-income families get benefits of 80%. It needs to be a measure that's as progressive as possible, where all the pieces of the puzzle fit together in terms of funding, making it as accessible as possible, and being aware of the traps for the people at the bottom of the labour market.

Who is going to manage it? Right now, in Quebec, it's clear that no one has access to the money in the fund. It's exclusively for the workers. The government is hands-off and cannot touch the money in the fund.

Ms. Jean Crowder: Is it completely self-sustaining? It's completely funded by employees and employers. The money is completely dedicated and allocated.

Ms. Jennifer Beeman: That's right.

Ms. Jean Crowder: We wouldn't have the situation that we currently have, I believe, where \$46 million was actually siphoned into general revenues. It's a way to reinvest the money back into workers.

Ms. Jennifer Beeman: That's right.

In Quebec, it's an independent fund and the government cannot use it for any purpose other than the funding of benefits.

Mrs. Lynne Yelich (Blackstrap, CPC): Are there any other differences?

The Chair: Let's go in order.

Ms. Jean Crowder: Do I still have a bit of time?

The Chair: You have time.

Mrs. Lynne Yelich: I was just curious.

The Chair: I put you on the list.

Ms. Jean Crowder: Laurie Ann, do you see something that presents a challenge in the current climate we're operating in that would prevent us from moving ahead with an idea like this?

Ms. Laurie Ann McCardle: Again, when we talked to HRSDC, one of the things they were telling us was that, through their ongoing evaluation with employers, employers really like the one-year system. They're not opposed to the timeframe, which is really good. I know there was certainly a lot of concern as to whether employees were going to like the one-year system.

I think we can say that employers can be progressive when new ideas are brought to them. Sometimes we think it's going to be a barrier, but it might not end up being a barrier in the end.

One of the other things we're recommending, which is also in the Quebec act, is the elimination of the two-week waiting period, not only getting rid of the two weeks but adding two weeks to the maternity leave. Instead of having the two-week waiting period and then 15 weeks of maternity, women would get 17 weeks of maternity. Again, we're making connections among the programs.

One of the other things we're interested in, which connects to the Quebec act as well, is on what happens to women who are not part of the EI and don't contribute at all. Again, the best practices in the international community looked at that question as well.

It is handled in different ways in different places. Some countries give women a stipend or an honorarium for a one-time payment. Some set up a payment where they still get ongoing weekly cheques, but for a lesser amount of money, based on the country's net average income. There are lots of different ways that women who are not even in the system could be included.

Again, it's looking at it from a variety of different perspectives, as Jennifer is suggesting. It's about trying to figure out how to bring all the pieces together.

• (1630)

Ms. Jean Crowder: Thank you.

The Chair: Thank you.

Ms. Yelich, go ahead, please.

Mrs. Lynne Yelich: I was just wondering if there are other differences that you've noticed between other jurisdictions.

Also, Michelle—I wanted to get both my questions on the record—when you lost your baby, you took the whole maternity benefit at the time?

Ms. Michelle Genge Harris: Yes, the 15 weeks, not the parental leave portion.

Ms. Jennifer Beeman: The differences between the two programs are in terms of admissibility: 600 hours versus having revenue of \$2,000; the maximum insurable income is different; independent workers are admissible; there is no two-week waiting period; the length of benefits is longer.

There are two systems you can choose from. There's an option A and an option B. The option A is for longer at a slightly lower level

of benefits than option B, which is an interesting level to have depending on how the couple wants to arrange things. There's much more flexibility in the program.

It's because of Quebec law that it's available to same-sex couples. With all Quebec laws, that's the case.

Mrs. Lynne Yelich: Really the federal government has nothing to do with this; it's just provincial, with employer and employee?

Ms. Jennifer Beeman: And independent workers.

Mrs. Lynne Yelich: It's the provincial government that allocates. Who collects it then?

Ms. Jennifer Beeman: It's the Régie des rentes du Québec that will administer the fund, and it's the local employment centres that will deal with the clients.

Mrs. Lynne Yelich: Are the employment centres provincial or federal?

Ms. Jennifer Beeman: They are provincial.

The Chair: Does anybody else have questions?

Ms. Torsney, go ahead, please.

Hon. Paddy Torsney: I was just going to make a suggestion. We have a great briefing note that Julie and Chantal have done. It may be helpful to have more information on how our own system works. I'm not sure that everybody does know how our current system works.

Ms. Jennifer Beeman: I have the greatest little table on the federal system and the new Quebec system. I can give this to you if you want. I refer to this all the time.

Hon. Paddy Torsney: There are things like if your children are timed too close together and you didn't get back into the workforce for long enough, it inadvertently will cost you. It may be tinkering or it may be more fundamental, but the parental leave program was a really important improvement to our benefits. Not only was it GBA, but also the minister at the time really believed that it would be important to families. She went out there and campaigned to get everybody's support for it because it was important to her. She realized they are benefits for women in cabinet positions too.

For men and women that program is important. For young workers it's incredibly important because it takes away the disadvantage of hiring young women versus young men. We can make good improvements for everybody, but I do think we need to understand how different things work in the different provinces. That table will be very helpful for us, and the new compassionate leave stuff will be important.

Ms. Michelle Genge Harris: Can I call attention to one of our recommendations?

Hon. Paddy Torsney: Sure.

Ms. Michelle Genge Harris: One of our recommendations is to have a reach-back period of up to five years.

• (1635)

Hon. Paddy Torsney: It's a reach-back period, which we have on training.

Ms. Michelle Genge Harris: Yes, it already exists within the EI system for self-employment benefit programs. This is for women and men, for the parental leave portion, who have already paid into the system. Madam Bonsant was speaking of the case of a woman who is on maternity leave with her child and then finds that she is pregnant. In that circumstance, it becomes almost like a *Sophie's Choice* situation in which the woman has to pick which child she is going to be staying home with, which is a really tough decision for a mother or father to make if they're on parental leave.

If you were to look at our recommendation for the reach-back period for the five years, it would enable more women to be able to benefit from the money they've already paid into the system. It's not getting something for nothing.

Hon. Paddy Torsney: You mean more like a general averaging of the five years of contributions.

Ms. Michelle Genge Harris: Currently you can only go for the past twelve months. If you were to have the reach-back period then you would be able to go into that reach-back period for the second maternity leave.

Hon. Paddy Torsney: Oh, okay, because reach-back means something different. That means you weren't in the paid labour force for five years, so you can reach back to the pre-period and grab... But there used to be something in taxation. You used to be able to average your last five years of income. You could elect to do it at any point, but if you had one year of really high income and you didn't anticipate that, Revenue Canada used to allow you to average those five years. It got me \$500 in first-year university and I was thrilled. It was the only year I had money, and it was the last year you could have general averaging.

So that is something that has been a concept in the past. I think it's probably a little wonky to administer, but it would only be... In this case it would be very beneficial for parents. And I don't know that the cost would be that huge.

The Chair: Thank you.

Are there any other questions or comments before we wind down?

Madame Brunelle.

[Translation]

Ms. Paule Brunelle: I just have a comment.

Having been a manager myself and having granted parental leave to employees, I think the one-year formula is in fact an advantage for employers because they can then offer someone else an interesting term job. If you have to replace an employee for 15 weeks only, it can be difficult but if you can offer a job for a full year, it is easier.

I think it is an advantage to have women employees on maternity leave. Employers can then hire a young worker at a lower salary and let him or her acquire some experience. I think a full year is time enough for an employee to acquire a solid experience.

So I believe this is another reason why parental leave is a good thing.

[English]

Hon. Paddy Torsney: I think Madame Brunelle's point is very important, because initially I think employers were concerned about the guarantee of the job. Now that they've had some experience with it, it's easier to change the next piece, which could be tinkering or it could be improvement. Everyone would agree it's been helpful for them to see the program working, and they can support the next range of changes.

Some experience with the current program I think will enable people to look at doing the next piece, to improve families. It has real implications for the health care system in terms of very young children going in to day care and for people trying to find accommodation. It has health implications for children getting colds and all that, when they're very young and not with their parents. So it's a big issue.

The Chair: Thank you.

I want to thank the three of you very much for coming today. I think you've kicked us off quite well; it's a good kick-off to the study.

We will have a discussion on Thursday about how we're going to move forward on the study, but I would like to ask colleagues to give some thought to who else you would like to come before this committee. Either get it to the clerk beforehand or bring it on Thursday.

Ms. Jean Crowder: I have a quick comment. I know they've already mentioned it, but the interim report from the Women's Network in Prince Edward Island is helpful, if people did have a chance to look at it, because it does articulate some of the fundamental reasons why something like this would be required and it elaborates much more extensively on some of the issues. So it is helpful if people have a chance to look at it.

The Chair: And you have translated it?

Ms. Laurie Ann McCardle: We can send it to you electronically.

The Chair: Some of us have it. If you send it to the clerk electronically, he will distribute it to everybody. Thank you.

We need a motion. Colleagues, you know that tomorrow afternoon we are hosting a visiting delegation of 19 members from Russia who are coming to talk to us about GBA. I think you've all received a notice about it, but in order to provide some refreshments we need a motion that would say it is moved by Mr. Powers that the committee authorize the chair to provide hospitality on Wednesday, June 1, for a visiting delegation from Russia.

(Motion agreed to)

• (1640)

The Chair: Thank you very much.

Just for your information, we are meeting with this delegation in room 300 in the Confederation Building tomorrow at 3:30 p.m. Our understanding is there are 19 people.

We're adjourned.

Published under the authority of the Speaker of the House of Commons

Publié en conformité de l'autorité du Président de la Chambre des communes

**Also available on the Parliamentary Internet Parlementaire at the following address:
Aussi disponible sur le réseau électronique « Parliamentary Internet Parlementaire » à l'adresse suivante :
<http://www.parl.gc.ca>**

The Speaker of the House hereby grants permission to reproduce this document, in whole or in part, for use in schools and for other purposes such as private study, research, criticism, review or newspaper summary. Any commercial or other use or reproduction of this publication requires the express prior written authorization of the Speaker of the House of Commons.

Le Président de la Chambre des communes accorde, par la présente, l'autorisation de reproduire la totalité ou une partie de ce document à des fins éducatives et à des fins d'étude privée, de recherche, de critique, de compte rendu ou en vue d'en préparer un résumé de journal. Toute reproduction de ce document à des fins commerciales ou autres nécessite l'obtention au préalable d'une autorisation écrite du Président.