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•(1630)

[English]

The Chair (Mrs. Susan Kadis (Thornhill, Lib.)): Good afternoon and welcome.

Members will be coming in as we speak. I apologize for the delay. It's a pleasure to welcome you to the Standing Committee on the Status of Women today, as we resume our studies and our input and our testimony on parental benefits for self-employed workers.

Today we have with us, from the Association féminine d'éducation et d'action sociale, Diane Brault, president, and Hélène Cornellier, coordinator of action plan and communications. From Nova Scotia Barristers Society, we have Ronald Macdonald, president, and Marie Paturel, equity officer. And as an individual, we have Mr. Richard Shillington.

If you can begin your opening remarks and make them as succinct as possible and deal with the time constraint, I would very much appreciate that, so we have an opportunity to have questions from the members.

We'll begin with Madam Brault.

[Translation]

Ms. Diane Brault (President, Association féminine d'éducation et d'action sociale): Good afternoon. I'm from AFEAS, a non-profit organization founded in 1966. AFEAS represents 14,000 Quebec women who work on a volunteer basis for 350 local groups in 12 regions. AFEAS's mission is to defend the rights of women and to work toward improving their living and working conditions. Through education and joint social action, AFEAS is working to build a society based on the values of peace, equality, fairness, justice and respect. AFEAS belongs to Quebec, Canadian and international organizations and coalitions in order to advance its issues.

In the many actions and positions it takes, AFEAS seeks social, political and economic independence for women so they can participate fully in democratic life in Canada and Quebec, at all levels of government. At local, regional and provincial annual general meetings, its members democratically elect their officers and decide on orientations to take and demands to defend. When AFEAS takes a stand, it does so on behalf of its members, in accordance to their expectations and needs.

In addition, AFEAS carries out its mission through the commitment of its 14,000 volunteer members and financial resources from three sources: self-financing — revenue from membership dues and funding activities — represents 51 percent

of its resources; government assistance — from both Canada and Quebec — provides 36 percent; and sponsorships by private partners account for 13 percent of the total budget.

Through its presence and realistic action in the past 39 years, AFEAS has achieved credibility with decision-making bodies and organizations in the field. Its main issues are: recognition of unpaid, so-called invisible, work performed mainly by women for women and persons with decreasing independence; the impact that changes in the health and social services system have on women; and violence against women, children and the elderly. We have an annual awareness campaign called Operation Reach Out.

In the context of this consultation by the Standing Committee on the Status of Women on parental benefits for self-employed workers, AFEAS wants to expand the discussion to include all benefits related to family responsibilities.

In the view of AFEAS, the roles of mother, father and helper are part of the unpaid work performed by Canadian women and men within their families.

Accordingly, the purpose of the recommendations AFEAS is making to the Standing Committee on the Status of Women is to expand eligibility for, and to improve, maternity, parental and compassionate care benefits.

•(1635)

Mrs. Hélène Cornellier (Coordinator of Action Plan and Communications, Association féminine d'éducation et d'action sociale): Canada has made considerable progress in all fields since the last World War. During those years, national and international instruments were put in place making human rights and freedoms an unavoidable objective for democratic countries. However, despite equal rights for women and men in Canada, it must be agreed that, in actual act, full equality has yet to be achieved in many areas of social, economic and political life.

To ensure these persistent inequalities between women and men are addressed, AFEAS asks that the government put in place a systematic gender-based analysis approach across government to evaluate and correct the negative impact of legislation, policies, programs and measures on both genders and establish a committee independent of government to ensure it is applied. Half the members of this committee should come from independent Canadian women's groups.

In 1968, at the time of the Bird Commission on the status of women, AFEAS contended that the time women devoted to the members of their families constituted unrecognized work and asked that it receive social and economic recognition. Although essential to the survival of families and society, responsibilities and duties toward children, the elderly, the sick, the disabled and those who are losing their independence are a source of inequality between women and men.

Since the 1960s, changes in society and the family, as well as in the labour market and health system, have not reflected the roles assumed by family members, generally by women. Although they have entered the labour market in massive numbers, they still perform the responsibilities and duties related to the family roles of mother and helper under the traditional model. In addition, their repeated absence from the labour market, because of children and relatives who need their help, and the fact that they hold positions that often provide poor working conditions increase the likelihood that they will be poor during their working lives and at retirement.

In 1971, the Canadian government introduced maternity leave under the unemployment insurance program to offset the loss of a portion of employment income following the birth of a child. In 1983, the program added 15 weeks of leave for parents who adopted a child. In 1990, all parents were entitled to 10 weeks of benefits for the birth or adoption of a child. In 2001, those parental benefits were extended to 35 weeks, again at 55 percent of salary. Not all parents qualify for these paid employment benefits at the time of the birth or adoption of a child.

In January 2004, compassionate leave benefits were offered to helpers. Equivalent to 55 percent of income and paid for eight non-consecutive weeks, including a two-week qualifying period, they may be divided among family members over a period of 26 weeks. This measure is not very accessible because of eligibility criteria: the number of hours of work required and the status of persons concerned by the help, that is to say a spouse, child, or a seriously ill or dying parent.

In our view, in 2005, it is high time that the work of parents, like that of helpers, was recognized by fair measures commensurate with their social contribution. In addition, this recognition should not be subject to the condition of holding paid employment. Family responsibilities toward children and relatives in need are neither intermittent nor performed only at night, on weekends or during vacation.

Since having children and helping relatives is not unemployment, AFEAS asks that the government first render eligible for employment insurance program benefits any person who performs the role of parent or helper, regardless of his or her status as a paid employee, self-employed worker, student or person in the home; increase maximum insurable earnings to the level that will be used by the Quebec parental insurance plan in 2006, that is to say \$57,500, since the current level of \$39,000 is very low and has not been increased in a very long time; review benefits granted at the birth or adoption of a child so that parents receive replacement income at a minimum rate of 70 percent of insurable earnings, without a qualifying period; provide, for parents, 15 weeks of maternity benefits, five weeks of non-transferable paternity benefits — so that only fathers can use them — and 35 weeks of parental or adoption benefits shareable

between both parents, which already exists; pay a minimum, universal weekly benefit to mothers and fathers on the birth or adoption of a child over the number of weeks during which they are not eligible for maternity, paternity, parental or adoption benefits. This benefit should be paid at a rate of 70 percent of the current minimum wage, calculated on the basis of a 40-hour week. In Quebec, for example, that represents \$212 a week. Compensation should also be paid for the difference between this weekly benefit, where it is lower, and the benefit paid by the employment insurance program so that parents can receive a decent minimum wage every week.

• (1640)

[English]

The Chair: Excuse me, Madame. If you can please wind up, we would really appreciate it. Then we will have time for questions.

[Translation]

Mrs. H  l  ne Cornellier: As for compassionate care benefits, in the same way as we've just requested for parents, we'd like the minimum amount to be set at 70 percent of the earnings of persons who help a relative or that the list of persons who qualify for this assistance be expanded. So we'd like this to be different.

There's another aspect that concerns employment insurance less, but which I'd like to tell you about. We'd like helpers who work with a relative but do not house that relative to receive a refundable tax credit.

Lastly, we ask that the Government of Canada agree to negotiate with Quebec for the transfer to Quebec of contributions paid for compassionate care benefits so that we can establish a Quebec compassionate care benefit.

Thank you.

[English]

The Chair: Thank you very much, Madame.

We'll go to Mr. Macdonald.

Mr. Ronald Macdonald (President, Nova Scotia Barristers Society): Thank you, Madam Chair, and members of the committee.

My name is Ron Macdonald, and I am honoured to be the president of the Nova Scotia Barristers Society. I am accompanied today by Marie Paturel, the equity officer for the Nova Scotia Barristers Society.

We are very pleased to accept this invitation to discuss the possibility of expanding EI parental or maternity leave benefits to self-employed persons. I will keep my remarks shorter than I had planned. You have our complete paper, which has been delivered to the clerk.

I'm pleased to be here for two reasons. One is that the Nova Scotia Barristers Society sees the very difficult problem of women leaving the legal profession as a major issue facing our profession today, and our members are glad to have us here to speak to the federal government or this committee about that issue.

I'm also pleased to be here personally, as a father of three strong and vibrant, independent women. I always have looked at issues affecting women as being vital.

The Nova Scotia Barristers Society has 1,790 practising members; of them, 596 are women. That's almost exactly one-third, or 33%. We have looked at the issue of gender equality in our profession on different occasions, in 1993 and again over a few years resulting in a paper in 2001. Since the 1990s we have noted that more women than men have been graduating from our law schools; yet our membership still consists of only 33% women.

We have taken some steps to address that problem over the years. They have included establishment of a gender equity committee, an equity officer position—we were one of the first societies to do that—and development, for example, of model policies on maternity leave benefits that we urge firms to follow. There has been progress in those areas. However, still only one-third of our members are women.

But worse than that, or more significant than that, is that of the people who leave the practice in Nova Scotia, even though they only make up one-third of our profession, approximately 55% of the people who leave are women, which says that they leave at a higher rate.

Why do they leave? There are a variety of reasons. A recent study has shown that women most often say that pay, work hours, and child care issues are the reasons why they leave the profession. For men, 79% say they leave because of pay. So you can see that having a child and raising children is a much bigger issue for our female members than it is for the male members.

We believe maternity leave problems, or the failure to have sufficient maternity leave programs for our self-employed members, is one of the large reasons we see them leaving the practice, and in particular leaving the private practice of law.

In an effort to address these issues, our gender equity committee, over the space of about two years, presented a proposal to our governing council, resulting in a vote in January of 2005. The purpose of this proposal was not income replacement, however; it was simply a program that was designed to give some assistance to self-employed members of our society who did not have access to EI benefits because they're not employees, in an effort to help defray some of the ongoing business costs they would face while they were away on maternity leave.

The details of that program were fairly straightforward. It was a program that would provide a one-time payment to eligible female members who bore children of \$4,000, and a \$2,000 financial payment to eligible members who became a new parent either through adoption or becoming a father. However, as I stressed, this was not an income replacement program.

We had hoped this program would address two issues. One would be to help in particular our female member through the maternity leave time—help defray their business costs and help with the adjustment period that necessarily goes with having or adopting a child. We also had hoped it would send a signal to our members that the society is a leader in this area. There is a feeling there is some undercurrent in the legal profession still that women cannot put in a full day's work, like a man, because they have child care issues. We had hoped such a program would help send a message that if there is

such an undercurrent out there, it's wrong, and you should reconsider it.

The proposal was not accepted by our governing council, primarily because our councillors did not believe it was the society's mandate to provide financial support to a small segment of our members or to act as an income redistribution association. Our primary objective in our legislation is protection of the public, and what goes with that is regulation of our members, etc.

Our members primarily saw this more as a governmental role. That's one of the reasons I'm here today. Nevertheless, the goals are still valid. The goal of trying to address the undercurrent that is out there and the goal of helping the self-employed female member through a maternity leave are critical.

• (1645)

Why is it so important? The profession must reflect, first of all, the society it represents, and if our female members under-represent the society, then we do not do that. Secondly, the legal profession should be the last place where there are elements that seem to create barriers to women. Thirdly, the profession cannot reach its full potential if we are not open to have every woman who wishes to be a member being a member. We lose that segment of the population.

Thus, the society is still working to do what it can to alleviate as many barriers as possible. However, with respect to maternity leave barriers, we see this as a role for government. We urge you strongly to consider extending benefits to self-employed lawyers. This is not just a question of fairness for those individuals; it is also a question that impacts upon the overall administration of justice. It is a broad societal goal we have here to be achieved—that is, keeping more women in the profession.

The federal government, in our submission, can help ensure our profession is more diverse and more representative, and thus better able to serve our society.

I'll move now to answering the questions that were put forward to us prior to coming here today.

Should benefits be extended? Yes. We say obviously they should, and we believe this would help eliminate one of the barriers to the profession that see more women leave the profession than men. It would help eliminate that difficult time for a self-employed female member who not only loses her income while on maternity leave but has ongoing business costs.

Should it be mandatory or voluntary? We submit it should be voluntary, given that we believe many of our members have indicated they will not necessarily wish to have children and therefore would not wish to be in the program.

In terms of issues of level of contribution and who should pay the employer contributions, we believe the level should be a proportion of the EI amount, given that it would not be a complete EI-type program, and the individual lawyer should pay the entire amount.

In terms of the other questions, we do believe it makes sense to extend sickness and compassionate care benefits to self-employed persons, although that is not directly related to the maternity leave issue we're here to speak of.

We do not support the idea of an association-created plan. Our society, the Nova Scotia Barristers Society, does not believe it is the mandate of our society to be involved in income distribution. We see this as a governmental role.

In conclusion, then, women leave the legal profession more than men. There are many reasons for that, and there are significant issues that need to be addressed. However, one of the largest, as we say, inherent with them leaving the practice is the difficulty in having or adopting children. This problem is a very serious one for self-employed lawyers, given that they have no access, at the moment, to a government maternity leave program. It simply forces them for economic reasons out of the practice. To have a profession that doesn't have the correct proportion of women or forcing women to delay or not have children for monetary reasons is simply wrong.

We would ask you to strongly consider extending employment insurance benefits to self-employed lawyers. We believe it would go a long way to eliminate this problem and would be a great step forward to our true equity.

•(1650)

The Chair: Thank you, Mr. Macdonald.

Moving on, we'll hear from Mr. Shillington.

Mr. Richard Shillington (As an Individual): Thank you for this invitation.

I assume I was invited because of the work I've done over the years, research on unemployment and employment insurance for the Forget commission in the 1980s. Then I appeared before the committees in 1996 for those changes. I'm flattered and thank you for your interest in my work.

EI, and before it unemployment insurance, has always been a vital program for assistance to unemployed Canadians. It's been there for decades, and I would contend that more recently it has lost its way and no longer serves its original purpose of income replacement for low-income Canadians.

Before talking about maternity benefits, I'm going to spend a minute talking about access to EI in general. I read the testimony of other witnesses, so I know there were questions about this.

You will know that in 1991 regular EI benefits accounted for 98% of the contributions to the program. Regular benefits under EI are now 48% of the contributions to the program because of the part II benefits and because of the growth in special benefits. So less than half of the contributions to the program are paying regular benefits to unemployed Canadians.

You will know also that the rate of the benefit through unemployment has dropped from 80% to 40%; that is, only 40% of the unemployed are eligible for benefits. In a city like Toronto, it's down to 22%. For young people, it's down to fewer than 10% of the unemployed who are receiving benefits.

Some of that is because some of those people are self-employed; that's true. If you recalculate this, concentrating only on those who are unemployed and who contributed to EI in the last year, the figure is still only 45%. That is, 45% of the unemployed who contributed to EI in the last year are receiving benefits. For women who are 15 to 34, it's 28%. For women who work part-time, it's 27%. For people earning less than \$10 an hour, it's 28%.

Again I'd say this is a program that has lost its way. Overall, benefits have fallen about 34% since 1991, adjusting for inflation. For the poor, they've fallen by 50%. In my submission you'll find some charts that look at the change in the distribution of EI benefits in the last 15 years. The family income group that used to get the maximum EI benefits used to earn from \$30,000 to \$40,000 of income; now it's \$60,000 to \$70,000.

There's a cut in regular benefits balanced by an increase in maternity benefits. So you're taking money out of the pockets of people who are unemployed and putting it into the pockets of people who have babies.

Those are my comments on general access.

In terms of access to maternity benefits, we know that about one-third of new mothers cannot access EI benefits, some of them because they weren't in the labour force in the last year, some because they're self-employed, some because they were employed but didn't meet the 600-hour requirements. My estimate is that about 12% of new mothers are also getting employer top-ups on top of their EI benefits. So we really have three categories of new mothers: some who get nothing, some who get EI only, and some who get EI plus an employer top-up.

My one other comment is that the EI maternity benefits vary dramatically, by family income again. There's a chart in my submission that comes from research I did in the past, and you won't be too surprised that new mothers who come from low-income families are much less likely to get EI benefits than new mothers who come from moderate- and high-income families. They're not going to get an employer top-up at all; it's virtually unknown.

So we have a program that provides nothing to a significant number of new mothers; a modest—it might be generous—55% replacement; and then a quite generous 93% replacement for people who least need income replacement.

The EI program provides 55% replacement, and your benefits can't be more than \$413 per week, after a two-week waiting period. That's what EI provides. I read testimony of officials describing this program as being adequate. But we note that Canadian women who have jobs where there are good benefits have actually negotiated a second set of benefits for themselves. They find the EI benefits inadequate and have demonstrated that by actually negotiating something better: 93% replacement—or 90%, depending on the employer—no maximum to the benefit, and no waiting period.

•(1655)

Why is a two-week waiting period reasonable for people getting benefits through EI, but the people who administer the program themselves don't have a two-week waiting period in the federal civil service? The federal government pays the two weeks for them.

I think placing maternity benefits within EI just raises a range of equity issues, because to the extent that maternity benefits are income replacement, that's an appropriate EI role. To the extent that maternity benefits are support for a parent who wants to stay home, that's not an appropriate EI role. That's what I would contend. There are two distinctions.

A lot of the problem here is because the social policy purpose has been muddled—income replacement versus support for parents to stay home. The muddle might be best illustrated by an example. If I were a federal civil servant and my wife had a baby and she was a stay-at-home mother—she's not eligible for EI—I could still get parental benefits to stay home with her. I'm not really losing an income. I'm getting 93% replacement. In fact, after tax I'm better off, because some of the employer deductions are not there and I don't have to pay for gas and things. It's not providing support. She's at home anyway. I'm being paid out of EI, and my employer is topping up for me to go home and spend time at home with my spouse. This is not about income replacement.

To my mind, we have got muddled here because we put both an income replacement program and a social support for parenting in one program and called it EI, and we're using EI just because the money's cheap. I think politically we know that.

Why is there a two-week waiting period? Is it because of co-insurance? Maybe for income replacement, but not for the parental benefits. Why do we have to have minimum labour force attachment? Why do we have to have 600 hours? Because it's in EI. That's the only reason it has to be in it. If you had designed this from scratch, you wouldn't have a minimum labour force attachment.

The duration of benefits for EI—you probably know this—depends on how many other weeks of EI benefits you've received. If you've spent some time on compassionate care in the last year, you'll get fewer maternity benefits. I think placing these benefits within EI creates a whole series of problems, but a maternity benefit program within EI is better than no maternity benefit program at all. There's no doubt about that. If constitutionally we can't have a maternity benefit outside of EI, then maybe we'll live with it, but I do think it creates difficulty and is certainly not the purpose of parental benefits. We get into a distortion because we've taken a social program that's supposed to be providing support for people who are raising children and put it within a program that is like house insurance. The administrators of it think of it as insurance. You don't want car insurance guys running day care programs. I think there is that distortion.

I want to second a comment mentioned earlier. If to the extent that this is a program about providing support for parents at home, why are we not talking about stay-at-home mothers, who I believe are making the same financial sacrifice as other mothers? They just did it earlier. The fact that they've been out for two years doesn't mean

they've stopped making a financial sacrifice to stay at home with their children.

Thank you.

•(1700)

The Chair: Thank you very much.

As we begin our round of questioning of testimony, we will limit it to five minutes, as opposed to seven, if we can.

We'll begin with Ms. Smith.

Mrs. Joy Smith (Kildonan—St. Paul, CPC): I want to thank each and every one of you for being so patient and so kind today, enduring the extra time. We really appreciate it. We are looking forward to getting hard copies of all your presentations, which we will take from Hansard.

We can get them off Hansard, can we not?

The other thing is it's gratifying to see some men presenting here at this committee.

My first question is to Mr. Macdonald. I have to say that my husband and I have four daughters, and we are in the same position you are; they're very independent and very outgoing. Also, I have a niece who's a lawyer. So I've heard about a lot of things in law firms related to equity, and H el ene mentioned it's not always equitable, even though by law there's supposed to be equality between men and women.

You made some statements in which you were saying you thought income redistribution was really a government role, not a private sector role. I was quite interested in that, because you had supported.... You said benefits should be extended, and you said more women leave the profession than men, and you also said that quite a number of women were not wanting to have children in your firm, or in your knowledge of what's going on in this day and age. I've heard that many times before. It seemed to me you attribute it to the fact that the benefits aren't there, and that once you start a profession, it might be interrupted.

Could you expand, first of all, on the government role in income redistribution?

You also mentioned that EI benefits should go to self-employed lawyers—ones, I would assume, who don't belong to a specific firm.

In those two things, could you please extend your comments? I found them very interesting and insightful.

Mr. Ronald Macdonald: Thank you.

The purpose of the Barristers Society is set out within our legislation. We're a creature of statute. Our legislation provides, under section 4, that the purpose of the society is to uphold and protect the public interest in the practice of law. It continues by saying, "In pursuing its purposes, the society shall"—and I'll paraphrase—establish standards for qualifications, establish standards for professional responsibility and competence, and regulate the practice of law.

While our statute does specifically permit us to carry out some remedial programs for our lawyers, our members on council do not interpret that to include income redistribution. For example, we have programs for lawyers who may have addiction problems and stuff like that. But our members do not see that it is the role of a regulatory body to be involved in gathering income and redistributing it amongst its members.

I don't think I can say it much more simply than that, but that was basically it. They saw the purpose of that as a societal purpose, a purpose that would benefit society in general, and hence felt it was a role for government to be involved in. There is a societal goal to be achieved by having women stay in the practice of law.

• (1705)

Mrs. Joy Smith: Madam Chair, I'll just continue, if that's okay.

The Chair: Yes, that's fine.

Mrs. Joy Smith: Having said that, has there been any costing? I fully understand what you're saying. I can count. I'm looking at the cost of something like this. Have there been any analyses of what the cost would be, based on the numbers of women and men who might want to have this income redistribution impact upon them?

Mr. Ronald Macdonald: For our program, which was to provide a potential total of only \$6,000, it would have cost our members \$43 per year. That would be just across our practising members; that is, approximately 1,800 members. We did an actuarial analysis of the number of children we expected would be born in a year, based on our number of members and their ages, and we determined that for \$43 a year we would be able to provide for those who would be self-employed lawyers who would have access to the program. It would be \$43 per member, so it's \$43 times 1,800.

Remember that this program was not open to those persons who were employed and had access to EI and was not open to those who were members of firms. Some larger firms have programs for their partners, so it wouldn't have been open to them, either.

The Chair: Okay, thank you very much.

Moving on, we'll now hear from Madam Gagnon.

[*Translation*]

Ms. Christiane Gagnon (Québec, BQ): Thank you, Madam Chair.

I want to thank the witnesses for giving us their opinions on a parental and maternity benefit system. I'd like to put some questions to Ms. Brault and Ms. Cornellier, who represent AFEAS.

You say that the new parental and maternity benefit program should be outside the employment insurance framework, which is too restrictive. Are you referring to the system that was put in place in Quebec, in which certain barriers to greater eligibility were removed? I'm thinking, for example, of the fact that accumulating 600 hours of work would not be a condition, that the system would be based more on a minimum income of \$2,000, that the qualifying period would be offset and, lastly, that the earnings ceiling would be raised from \$39,000 to \$57,000, as a result of which more women, parents and self-employed workers would have access to it.

In fact, too many people would be excluded from the employment insurance system. Are you referring to that system? If we want to create a parental and maternity benefit system at the federal level, we'd have to get out of the employment insurance system or make a lot more openings in it.

Ms. Diane Brault: Our parental insurance will go into effect on January 1, 2006. Currently, if you compare it with employment insurance, parental insurance is a better response to needs because there's no qualifying period, it's no longer based on the number of hours worked, the minimum income will be \$2,000 and the income ceiling will be \$57,000 at the start of January 2006, as is the case for the CSST in the event of occupational injuries.

Employment insurance currently grants entitlement to 55 percent of earnings, whereas parental insurance will pay 70 percent of earnings. That's already a gain.

Ms. Christiane Gagnon: It's a gain. Women or men who would like to take parental leave will have a higher income.

Ms. Diane Brault: Exactly. What's interesting is that there are two parental insurance systems. There's the basic system, which pays 70 percent of earnings for 18 weeks and also offers fathers non-transferable leave of five weeks to stay with a child. In addition, 32 weeks are transferable and can be shared, the first seven weeks at 70 percent of earnings and the remaining 25 at 55 percent.

Then there's the special system, which pays 75 percent of earnings. However, there are fewer leave weeks, 15 for the mother and three for the father, but the 25-week leave is transferable.

So that's already a benefit for mothers who want maternity leave and for fathers who would like to take leave to stay at home.

• (1710)

Ms. Christiane Gagnon: I'd like to put a question to Mr. Shillington, who also had reservations about the fact that the parental and maternity leave program would be within the framework of the employment insurance plan.

Is the system that Quebec is going to implement the kind of model that the federal government should adopt for the other provinces? The government has negotiated an agreement with Quebec. Could we make it so that each province establishes that kind of system, since there is an investment on their part? Quebec has invested partly in the parental leave program; it will pay a portion of it as the employer.

Ms. Diane Brault: In fact, the employer and employee have to pay premiums.

Mrs. Hélène Cornellier: If I may speak, AFEAS hasn't yet decided that that should apply to Canada. In Quebec, we have the plan we wanted to have. Other Canadian women have the plan that's currently in place that isn't really adequate for parents or, moreover, for unemployed workers. There are some parents who aren't unemployed and who bring children into this world. We want to have children in Canada. The same is true of compassionate care leave. We include all that in family leave.

At this time, we haven't decided that that should be outside or inside the system. If it were inside, how could we change the parameters? We're told that the parameters consist of a qualifying period and a maximum of 55 percent of income. We can't change that unless we change the parameters for unemployed workers as well, which wouldn't be bad in itself, but we can't change the logic of the program just for parents, at the time of birth, or for helpers.

So if we can't change that logic, wouldn't it be better to separate it from the employment insurance plan? We could keep employment insurance for unemployment and illness and provide family leave separately. Would that logic cause a constitutional problem?

[English]

The Chair: I think now, if we may, we'll make an opportunity for Mr. Shillington briefly to respond and go to our next speaker.

[Translation]

Mrs. Hélène Cornellier: Yes, perfect.

[English]

The Chair: Thank you.

Mr. Richard Shillington: I admit some ignorance. I don't know enough about what Quebec's doing. I only know what I read in the newspapers, and I don't know the details, but what I read was wonderful. As somebody who believes in national programs, I'm always caught in this dilemma. Quebec is in day care and others are leading the way and maybe that's the best way—let provinces lead the way and that will encourage other provinces to follow.

The Chair: Okay, thank you very much.

Now to Ms. Neville.

[Translation]

Ms. Nicole Demers (Laval, BQ): Madam Chair, I'd like to have some information, please.

The presentations by all the witnesses were very interesting. I very much liked the presentation by Mr. Shillington, as well as all the presentations that were given. However, I would have liked to have them in hand to study them afterwards. Would it be possible to have copies of them?

[English]

The Clerk of the Committee: Mr. Shillington's has been distributed.

The Chair: Mr. Shillington's has been distributed.

The Clerk: The other two have not been translated.

Ms. Nicole Demers: We don't have it.

[Translation]

Ms. Christiane Gagnon: Is it in both languages?

The Clerk: Yes. It's been translated, and I distributed it this morning.

[English]

The Chair: And the other two need to be translated as well.

[Translation]

Ms. Christiane Gagnon: We didn't receive it.

[English]

An hon. member: In fact, we're not getting any of the presentations.

Ms. Nancy Karetak-Lindell (Nunavut, Lib.): The clerk said they have gone out.

The Clerk: We'll resend it.

The Chair: We'll resend them immediately. I agree it's very important.

Okay, we'll hear from Ms. Neville, but it's a good point. Thank you.

Hon. Anita Neville (Winnipeg South Centre, Lib.): Thank you, Madam Chair.

Thank you again to all of you who have come today. It's a rather disruptive day here on Parliament Hill.

Mr. Shillington, I was going to ask somewhat the same question that Madam Gagnon asked. As usual, you are always informative and provocative in your presentations.

My question originally was going to be whether you can comment on the Quebec program and its applicability to the national scene, and you answered that somewhat. I don't know whether you want to expand on that. I'm wondering if you could give us your thoughts. If we were to operate within the EI system—and we've certainly had representations saying not to do it within EI, but rather create its own system—what recommendations would you make?

• (1715)

Mr. Richard Shillington: I would want to think about that a great deal more. And I don't think I put that in my presentation, frankly. I answered the questions that were asked. There is so much about EI that has become dysfunctional. It basically has become a program where the government wanted to cut spending and wanted to cut spending in ways that harmed people with good jobs minimally, so it moved from weeks to hours. There are so many things that I would revisit.

Hon. Anita Neville: A lot of us would.

Mr. Richard Shillington: Maternity benefits specifically within EI—600 hours. Why 600 hours? Why a two-week waiting period? Can you build self-employment within EI? If you can, I guess if you can't constitutionally do it outside of EI.... My fear is that we saw what happened with compassionate care within EI, and to my mind what a disaster that was. Again, it's because it's a program administered like an insurance program. We want to make sure that people can prove their eligibility. There's a culture of compliance to ensure that people are eligible, which I think is totally inappropriate for what is basically a support to help parents.

While I have the floor, I also have a daughter, but I'm the only one who brought her with me to watch. Yes, she's independent.

I could take your question under advisement, because I really would want to think about it. I didn't come prepared to say how you would change EI, but I'm really prepared with the evidence about why I think the present system, not just with maternity benefits but in general, is dysfunctional. Only 45% of the people who are unemployed who contributed to EI in the last year are receiving benefits. Those numbers are much lower if you're young, low age, a woman, or working part-time.

In 1996, when I appeared before a similar committee to talk about this, we said that would happen. All the women's groups that appeared in 1996 objected to the 1996 changes. They were done anyway. There was a gender analysis done of the 1996 changes by the same officials who were marketing that program. So I'm not a great fan of gender analysis that's done by people, forgive me, who report to ministers.

Hon. Anita Neville: Thank you.

I'm going to pass, Madam Chair, and let someone else....

The Chair: Okay. Thank you.

We'll hear now from Ms. Crowder. Thank you.

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

I want to echo my colleagues' comments in thanking you all for your presentations today.

I'm going to come back to Mr. Shillington. I want to thank you for so lucidly putting forward the case that I have been talking about now for months around how the EI system disadvantages many people who contribute to it. Some of the witnesses who came forward over the last couple of weeks actually talked about the fact that EI contributions from the least able are actually being used to support a system for those who make the most money. I think you've illustrated that clearly today.

I want to ask you this specifically. What I heard you say was if constitutionally all we could do is deal with it within the EI system, we could suck it up and do it, basically. That's the vernacular.

Mr. Richard Shillington: Yes.

Ms. Jean Crowder: Would you recommend that we actually take it out of EI and broaden it beyond income replacement?

Mr. Richard Shillington: If it's constitutionally possible. Compare the way EI's funded to the way Canada Pension Plan's funded. EI is funded by wages only, paid employment. So contract workers, whether or not they're self-employed.... Self-employed people do not pay in. I reiterate my comment.... Did I mention the waitress? My memory's going as I get older. No? A friend of the family, compassionate leave, she's a waitress, half her income is tips. She gets 55% of the wages. In Ontario, the minimum wage is lower than it would be otherwise because you earn tips. So she's getting 55% of an income that's already lower. This is for compassionate leave. Please.

CPP is funded by contributions on earnings, which include wages, which include self-employment income, and which include tips that are reported. So CPP is funded by all earnings.

In my dream, we would take compassionate leave, sickness benefits, maternity benefits, and parental benefits out of EI. We would take disability benefits out of CPP—there's a program that is in the wrong place—and we'd say we have a social security fund that pays for social benefits. EI can take care of income replacement. CPP can do retirement and death—don't ask them to chase people with disabilities and worry about when you are disabled enough—and have a fund that's funded like CPP that does social benefits.

• (1720)

Ms. Jean Crowder: That sounds like such a good solution to float out there for some consultation. I'm not sure why we haven't done it.

I just want to come back to the gender analysis for a moment. I would agree with your comments that it absolutely should not be done by the people who are directly vested. I don't mean invested, but directly vested. They put their time and their energy and their passion into something, and they should absolutely not be the ones who conduct the gender analysis. It should be done on a broader consultative basis, because often we come to things with blinders on that don't allow us to see what's right in front of our noses.

Certainly in this committee's experience of hearing from some of the other departments where supposedly a gender analysis has been conducted, it is literally, yes, I can check that box off, and we can choose whether to regard it or not. So I would agree with you. I think any number of people have talked about the gender analysis on EI and how people predicted this outcome.

You were mentioning that you couldn't specifically comment on the Quebec model. Have you seen other models out there besides the one that you've just described around CPP that the committee might want to look at?

Mr. Richard Shillington: No, but I think that's mostly because I don't know enough about this area. I know a fair bit about EI and how things work within EI.

Ms. Jean Crowder: Are there others you could suggest we might want to talk to?

Mr. Richard Shillington: All I can say is that from what I read in the newspaper, the Quebec model looks like this is what you want.

Ms. Jean Crowder: Thank you.

The Chair: Thank you very much.

I'm moving on to Ms. Yelich.

Mrs. Lynne Yelich (Blackstrap, CPC): Thank you.

Mr. Shillington, I am doing some background trying to frame what you're talking about, so I would appreciate any suggestions on bringing the CPP and the EI out of...as you started to say, how you would have done it. I'm working on that, so I appreciate any information you could forward.

However, I want to ask, which actually ends up taking a lot of my questions out, because then I don't have to be redundant, a little about the Quebec association. What share of the premium do the self-employed workers pay, do you know? What share of the premiums do they pay, shared between employers and employees with employers paying 1.4 times the premium? So what is the share then of that? Should self-employed workers be expected to pay the employer's share of premiums?

[*Translation*]

Mrs. Hélène Cornellier: The Quebec plan premiums were set in September. To my knowledge, for a worker with an employer, the employee pays 48¢ and the employer 52¢ per \$100.

For a self-employed worker, the rate is 1.5, which corresponds to the worker's share in addition to half of the employer's share. It's not the employee's share in addition to the entire share of the employer. It was set at 1.5.

Does that answer your question?

[*English*]

Mrs. Lynne Yelich: Yes, okay, thank you.

The Chair: Mrs. Smith, will you use some of Ms. Yelich's time?

Mrs. Joy Smith: Yes, thank you very much.

This has been a really informative presentation on all sides today.

I have to say, Richard, I would like a little bit more input. You made a comment about gender-based analysis. You didn't think that anybody who was advising a minister should be the person who is reporting. Can you expand on that? I have some feelings along those lines myself, so I'm just wondering where you're coming from.

• (1725)

Mr. Richard Shillington: I did preface my comment with "forgive me".

Mrs. Joy Smith: You did, and I do forgive you, so you can continue.

Mr. Richard Shillington: I'm a mathematician by training, and I came to Ottawa believing that understanding data and numbers could

help good public policy. Then I've spent most of my career fighting against people who are using numbers to distort policy, as far I'm concerned, frankly. The 1996 gender analysis of EI was one of the best examples ever. That document said, and I quote, "Women who work part-time will have an easier time accessing maternity benefits". Now, that statement's simply not true.

Mrs. Joy Smith: Thank you, Mr. Shillington.

I'm sorry, our bells are ringing now and we have to be excused, but thank you so much.

The Chair: It's also my pleasure to thank everyone for attending today. I really appreciate your indulgence and your patience.

As well, just before you leave, I would like to get some confirmation from the committee as to whether there is a willingness to come back directly following the vote, which will be at approximately 6:45. We need two more members to actually have quick consideration of a draft interim report on this very important topic. It has been written. It's fairly straightforward. The recommendations have been put forward—

Mrs. Lynne Yelich: Yes, but you don't put—

The Chair: —by members of the steering committee, which represents all parties.

Mrs. Joy Smith: I have a speech in the House, so I can't come back. My apologies.

Mrs. Lynne Yelich: I won't be coming back because I have some other functions. But I would say if it's an interim report, we just don't rush it through.

Ms. Christiane Gagnon: Can we send you our advice? We didn't read that. Tomorrow I will have time in the morning and I will type—

The Chair: Are members available in the morning, potentially? No.

We'd have to poll members as well.

Ms. Jean Crowder: But we haven't even seen it, so to ask us to come back and consider it...

The Chair: To give any possible changes, you need to have the opportunity to review it.

We will send it out. I think some of you may have received it already. If not, you will receive that.

We could meet tomorrow potentially at 11 o'clock—those who are here—or potentially 3 o'clock or 3:30. I'm very happy to, very willing to, for those who can make it.

Ms. Christiane Gagnon: Not 3:30, because many people are leaving tomorrow, but 11 or 9 would be okay for me.

The Chair: Okay, 11 o'clock. We'll make the effort to do that and we'll send out the report...if we can get seven people.

The meeting is adjourned.

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