

RESEARCH - ANALYSIS - SOLUTIONS

# CCPA REVIEW

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## We Need a Gender Sensitive Budget for Manitoba

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**A**nother budget has come and gone. This year's budget - arriving on International Women's Day offered the Manitoba Government another opportunity to create a budget that works for women. But once again, the provincial government has obsessed over tax cuts and debt repayment at the expense of tax measures and program expenditures that would create more equality among Manitobans.

How does the 2005 budget address the needs of women? And what might the 2005 budget look like if developed through a gender-sensitive lens?

### **Budget 2005 – Is It Sensitive to Gender?**

The 2005 Manitoba budget offers a number of programs that will help reduce gender inequalities. The Manitoba government's continued commitment to the 5-year childcare plan should be commended. Studies show that women living in societies with a quality, universal, affordable, developmental childcare program are more likely to have earnings closer to their male counterparts. In particular, Manitoba must be commended for its flat fees for childcare and its commitment to development in the non-profit sector. As stated by a leading childcare advocate, the Manitoba government is "as good as it gets" when it comes to its understanding of and commitment to childcare. Unfortunately, much will depend on whether the federal budget is passed, since the Province is relying on the \$26 million earmarked for Manitoba.

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The commitment to an Aboriginal midwifery program is encouraging news for Aboriginal women. This is particularly important for those who must currently leave their families for several weeks to give birth in hospitals far from their communities. This is the first sign since 2000 that the Province is committed to midwifery. While the financial commitment remains unclear, this is a positive first step.

Neighbourhoods Alive! has been an important initiative for inner city development through job creation and targeted programming. This has been an affordable and popular initiative the government would be wise to build on.

Weeks following the budget release, the Manitoba government announced \$1.4 million for the mysterious "Triple 3 Parenting Program". The verdict is still out on this program and we can only hope that it doesn't detract dollars that could be better spent on the childcare program. But additional supports to alleviate some of the stresses of parenting can be a great help to women.

The increase in the transit operating grant will be particularly important to women but only if the result is a freeze on transit fares. Women are more likely than men to use transit as their main mode of transportation, and affordable public transit is essential for low-income women, especially those with children.

The Manitoba government's commitment to a tuition freeze is important for women. While men and women may graduate with similar debt loads, women continue to earn less compared to men and often have interruptions in earnings as the primary caregivers for children,

and often for parents and grandparents. Therefore they have a harder time paying off student debt.

There was a slight increase in funding for Neighbourhoods Alive! this year. But it was not enough. Neighbourhoods Alive! has been an important initiative for inner city development. Women in particular have reaped the benefits of inner city development through job creation and targeted programming. This has been an affordable and popular initiative that the government would be wise to build on. Because it works so well, and because inner city needs are so great, much more money should be invested in NA! The government is too timid with the funding of this effective program.

### **Much More to Do? Indeed!**

Despite these important steps in women's favour, the overall impact of the budget isn't great news. There are a number of features of the budget that serve to exacerbate women's economic inequality.

### **Budget 2005 and Poverty**

This year the budget dedicated a section to poverty, an issue of particular importance to women. Given the fact that Manitoba continues to have the highest rate of child poverty nationwide and that 20% of Manitoba women experience poverty, paying some attention to this issue for a change is a good idea, and is to be expected of an NDP government. But what the government does in this section of the budget is to dismiss concerns about poverty by challenging the validity of the poverty measurement tool currently used. This is what the Fraser Institute does—they try to define poverty out of existence by criticizing the measurement tool, so as to justify doing nothing about the issue. We need only look around at the conditions that many families live in, particularly in the inner city and in the North and in female-headed families, to know that poverty in Manitoba is still a massive problem. Poverty needs serious attention by our governments, not political spin.

Actual budgetary measures to address the challenges for low-income families are minimal at best.

While the increase to Employment and Income Assistance (EIA) for Northern residents is a good first step, EIA rates continue to be shamefully low. Social assistance ought to protect those for whom the market does not provide. Single adults on EIA earn 28% of the low income cut off (LICO). Persons with disabilities earn approximately 42%. For many single mothers raising young children – an activity which benefits all of society and upon which we are all dependent – EIA is an important resource. Even with the elimination of the National Child Benefit Supplement claw back, a move for which the NDP government should be applauded, families on EIA continue to earn incomes at around half the poverty line. This presents particular hardships for women and gives their kids a poor start to life. There is a wealth of evidence to tell us that short-term costs are really investments that have long-term benefits for the economy, for example, in terms of health, educational outcomes and social cohesion. Quality childcare, sufficient income and decent housing contribute to family stability. Research has shown that kids who aren't hungry and constantly on the move are happier and perform better in school both academically and socially.

### **Housing, Housing, Housing**

As pointed out in a previous CCPA Fast Facts, there is a critical shortage of rental housing for low-income families. Community organizations working with low-income families rank low-cost rental housing among the most critical issues. There is simply not enough decent low-cost rental housing to meet the need. There is nothing new in this budget to address this issue. The budget does allocate \$3 million for a new Integrated Shelter Benefit Program but it is anyone's guess what that will look like as it has yet to be developed. What it surely won't do is create much-needed new units.

### **The Black Hole that is Health Care**

Health is eating up an ever-increasing percentage of provincial spending. Given that a wide range of factors determines health, it makes good sense to more aggressively seek preventive solutions. The 2001 Women's Health Clinic report titled *Women, Income and Health in*

*Manitoba* advanced some important policy recommendations that the Province would do well to act upon.

On a positive note, the Province has consistently supported the non-profit delivery of health care. This is important to all Manitobans but in particular women given their unequal income status, as private delivery effectively pushes up costs and increases waiting lists.

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### **What a Half Billion \$ Could Do**

In the 2005 budget, Manitoba proudly proclaimed that we are the province with the second lowest spending per capita in Canada. But this is nothing to boast about. A gender analysis shows that spending cuts are cause for concern.

Men and women are not equal beneficiaries of public spending. Women depend on the equalizing role of government more than men. As members of society responsible for the triple role of production, reproduction, and community work, women should be able to count on a strong social safety net to minimize economic disparity that results from unequal distribution of important unpaid work — raising the next generation, caring for the elderly, caring for communities. A budget sensitive to gender inequalities would allocate more money for public services such as legal aid, housing, social assistance, and childcare, not less. Cuts to such programs not only exacerbate women's

financial poverty, but they also have implications for women's time. As services once provided by the state are cut back, women are inevitably left to pick up the slack when patients are sent home early and childcare is not available.

Provincial tax cuts since 1999 have resulted in annual lost revenue of \$500 million. This half billion dollars could go a long, long way.

### **The Shrinking Civil Service**

The Manitoba government says that they are "on track" with their commitment to reduce civil service positions. This is a big concern for women. Not only does this compromise services, but also the civil service has long provided quality, well-paying jobs for women. In fact, it is public service jobs that have helped women gain ground in earnings. Reducing public sector employment opportunities will exacerbate current conditions that find women over-represented among the precariously employed—receiving low wages, few benefits, and less job security.

### **Tax Cuts Don't Benefit Women**

Tax cuts continue to be an obsession for governments across Canada, including Manitoba's NDP. This government is quick to boast that they have reduced taxes more than their predecessors. But as we have seen, this is not good news for women.

This year the budget raises the basic personal income tax exemption by \$100. This will remove 2000 low-income earners from the tax rolls. More money in the pockets of the poor is always a good thing, but tax cuts are not the most progressive means to do this. And taxation policies do not affect men and women equally. The UK Women's Budget Group "has consistently argued

that tax cuts, even at the lower end of the income distribution, benefit men more than women and give at least as much to higher earners as lower ones, thus exacerbating both gender and income inequalities...any cuts applying to the marginal rates at the bottom apply to higher earners too...many women earn too little to pay any tax at all". Further, the tax cut prescription will be of little help to low-income earners if the government continues to reduce revenue—and thus money available for programs that women need—through lowering tax rates for corporations and higher-income earners.

### **Gender Budgets Benefit All of Us**

Women represent 51% of Manitoba's population. But building a government budget sensitive to women's needs is not just about equality for women. A budget that considers the priorities discussed above will benefit all Manitobans. Like women across the globe, we are demanding a more active role in our government's budget process. The government of Manitoba has given women's groups some indication that they are eager to listen. They can prove that with the release of the 2006 budget next spring. This gives the Province ample time to show us that women's voices are heard and respected.

- Jennifer deGroot and Shauna MacKinnon

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