

# The Uncounted Hours: The Perception of Women in Policy Formulation

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## I. Introduction

The Speech from the Throne opening the Second Session of the 29th Parliament (February 27, 1974) announced the government's objective of creating a society free from discrimination.<sup>1</sup> This is an elusive goal, particularly where one is aiming at a society free from discrimination on the basis of sex. In 1970 the Royal Commission on the Status of Women made one hundred and sixty-five recommendations for action in Canada to help achieve this end.<sup>2</sup> In the five years which have elapsed, approximately one-third of the one hundred and twenty-two recommendations put before the federal government have been enacted.<sup>3</sup>

During the summer of 1975, three separate bills were before the House of Commons which if all enacted would significantly improve the record of government action. One has already been passed<sup>4</sup> and the other two await enactment.<sup>5</sup> Also promised is a federal human rights commission which will make equal employment opportunities in agencies under federal jurisdiction mandatory.<sup>6</sup> When all these steps have been taken, it is felt by many that the government will have done as much as it can at this stage to promote equality, and that it will then be up to the community at large, and feminists in particular, to create the changes in attitude that alone can make equality a reality.

But a government's responsibilities cannot be fulfilled so easily. We need much more than a change in attitude — we need a new perception of the role of women as unpaid workers and the inter-

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<sup>1</sup> *House of Commons Debates*, 2d Sess., 29th Parl., vol.1, 1, 3.

<sup>2</sup> *Report of the Royal Commission on the Status of Women in Canada* (1970).

<sup>3</sup> Advisory Council on the Status of Women, *What's Been Done* (1974).

<sup>4</sup> *Statute Law (Status of Women) Amendment Act, 1974*, S.C. 1974-75, c.66.

<sup>5</sup> *An Act Respecting Citizenship*, Bill C-20, 1st Sess., 30th Parl., 1974 (1st reading Oct. 10, 1974); *Statute Law (Superannuation) Amendment Act*, Bill C-52, 1st Sess., 30th Parl., 1975 (1st reading Feb. 15, 1975).

<sup>6</sup> *The Canadian Human Rights Act*, Bill C-72, 1st Sess., 30th Parl., 1975 (1st reading July 31, 1975).

dependence between that role and the economy.<sup>7</sup> Changes in attitude will follow the recognition of this interrelationship much more naturally than they will precede it and the government has a direct and crucial responsibility for developing such recognition.

The legislative changes to date have remedied only the most direct and blatant discrimination against women. None of the legislation so far and little of the public debate have dealt perceptively with the economic consequences of performing the role of housewife and mother — a role still essential to the continuation of the quality of life of our society. This assertion is not made in disregard of the debate across the country about the property rights of wives. Those discussions are concentrated around the right of women to be recognized as partners in marriage even though they do not contribute as much money to the matrimonial unit as do their husbands. In spite of this unequal financial contribution, it is being asserted that women have a right to an equal share of the profits and security built up during the union.<sup>8</sup> It is the husband who is being asked to share and the objective is to create a private equity between husband and wife.

The debate we have not yet entered concerns the parallel right of women to full economic equality in society itself, even though they are not permanently attached to the labour force or their attachment is interrupted. As noted above, the relationship between the unpaid work women do and the society which benefits from it is one of interdependence<sup>9</sup> although our social and taxation policies do not yet reflect it. In the same way that we are beginning to understand that the non-financial contribution of the woman should create economic rights for her within the marriage, so we must recognize that this same contribution should create economic rights in the society. Ultimately the society is as dependent on her unpaid work as is the family, and a recognition of this interdependence seems crucial to the development of social and taxation policies appropriate to a society free from discrimination.

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<sup>7</sup> Paltiel, *The Family and Social Policy*, notes for a panel discussion at the Conference on the Economic Position of the Woman in the Family held by the Manitoba Action Committee on the Status of Women, Winnipeg, Manitoba, April 26-28, 1974.

<sup>8</sup> See the Law Reform Commission of Canada, *Family Property* (1975), Working Paper No.8. See also, the various provincial law reform commission reports on family law and the Advisory Council on the Status of Women, Rioux, *Background Notes on Matrimonial Property Rights* (1974).

<sup>9</sup> Galbraith, *Economics and the Public Purpose* (1973), 33; see, *infra*, Part IV.

## II. Women and Social Policy: Fair in Form but Discriminatory in Practice

Recent amendments to the *Canada Pension Plan*<sup>10</sup> illustrate both the progress made in eliminating discrimination against women, and the inequalities that still exist because public policy does not take cognizance of the connection between the unpaid work of women and the economy.<sup>10a</sup>

### *Equal Treatment for Female Workers' Dependents*

One amendment to the *Canada Pension Plan* effective January 1, 1975, provides benefits for the surviving spouse and children of a deceased or disabled female contributor under the same conditions as the surviving spouse and children of a male contributor.<sup>11</sup> This change reflects acceptance of the fact that men may need protection just as much as women, and that the replacement of the mother's income may be equally important to a family as the replacement of the father's income.<sup>12</sup>

The change demonstrates a new awareness in our society of the economic responsibilities of the *paid* woman worker towards her

<sup>10</sup> *An Act to amend the Pension Act*, S.C. 1973-74, c.19 and *An Act to amend the Canada Pension Plan*, S.C. 1974-75, c.4.

<sup>10a</sup> The proposal to admit housewives to the *Canada Pension Plan* made by the Federal Minister of Health, the Advisory Council on the Status of Women and the Advisory Committee to the *Canada Pension Plan*, by splitting pension credits between spouses, would allow women much more equity than they now enjoy and is an urgent and necessary step to achieve economic equality within the marriage. But it is a recognition of the husband's responsibility to share the wife's loss in social security benefits when she withdraws from the paid labour market; it is not a recognition of society's responsibility to extend security to women because they have earned it.

Pressure must be mounted to implement the pension splitting proposal between spouses. The principle of equity and interdependence within the marriage unit has not yet been achieved. Pension splitting would bring it closer. Advocates of economic recognition of women's contribution through unpaid work would do a great disservice to women if they campaigned against "splitting" in an effort to achieve full economic recognition. The two concepts are not alternatives. Both are necessary to economic equity. One accomplishes equity within the marriage unit, and reflects the economic interdependence between spouses; the other accomplishes equity within the larger economy and reflects the economic interdependence between the unpaid work of women and the economy.

<sup>11</sup> *An Act to amend the Canada Pension Plan*, S.C. 1974-75, c.4, s.25.

<sup>12</sup> 65% of husband/wife families in Canada receive income from both husband and wife. In 34% the husband is the only breadwinner; Statistics Canada, *Income Distribution by Size in Canada, 1972*, Cat. 13-207, Annual, August 1974, 32.

dependents. In other words, as long as women carry the same financial responsibilities as men, those responsibilities are recognized. But beyond that we do not go. We do not yet acknowledge that the responsibilities of the unpaid woman worker towards her dependents have economic dimensions, and are still far short of an understanding of the role of women as wives and mothers from an economic perspective. We shall briefly examine this role below in Part IV.

### *15% Drop Out Period: Uneven Impact on Women*

The failure to grasp the economic significance of the work women do at home results in discrimination in other provisions of the *Canada Pension Plan*. Pensions are based on length of service, so they reflect interruptions in employment due to women's responsibilities in the home. After a ten-year qualifying period, the Plan provides that 15% of the contribution period (hereinafter referred to as the "drop out" period), will not be counted in calculating the pension.<sup>13</sup> This will normally result in a larger pension since it will be calculated on the 85% period of highest earnings. This 15% drop out is likely to be sufficient to allow for periods of lowest earnings, unemployment, training, and retraining for most men since the male employment pattern is one of steady attachment to the labour force; but most women do not fit this pattern.

Female work patterns are much more varied. Most women have extended periods of family responsibilities that interfere with their steady attachment to the labour force. The work performed during their years out of the labour force is likely to be onerous to them and productive to the economy, yet it constitutes labour that not only does not contribute to their independent security, but that actually inhibits their ability to achieve security for the future. The uncounted 15% of pensionable years after the first ten which is allowed to all workers will not be sufficient to cover years of low or no earnings due to the necessity of running a home and caring for children, and consequently a woman's pension will be reduced significantly. Equitable treatment for women would take into account this unpaid work.

### *Test of Recency: Uneven Impact on Women*

Further discrimination in practice which arises out of the application of the *Canada Pension Plan* results from the tests for eligibility

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<sup>13</sup> *Canada Pension Plan*, R.S.C. 1970, c.C-5, s.48(3).

for a disability pension. These are based on "recency" (the number of years during which contributions have been made in a specified "most recent" period)<sup>14</sup> and/or "attachment" (the proportion of actual to possible contributory years).<sup>15</sup> The underlying cause for discrimination is the same — the establishment of a standard based on the male worker pattern and expecting the female worker to fit that mold. To qualify before January 1, 1976, one must have contributed for five years between 1966 and 1976; after 1976, for five years of the most recent ten-year period; after 1981, for six years and at least one-third of the maximum contributory period (*i.e.*, from the time of one's eighteenth birthday to the date of disability). Robert M. Ball, Commissioner of Social Security in the United States from 1962 to 1973 described the impact of a similar restriction in the U.S. social security scheme before the Joint Economic Committee of the 93rd Congress:<sup>16</sup>

It is quite clear that because of their dual role as homemakers and paid workers outside the home, the social security protection of many married women is more affected by absences from the paid labour force than is true in the case of men . . . . One effect of this pattern is that a substantially smaller proportion of women workers are insured for disability insurance than is the case of men workers, about 40% compared with about 90%.<sup>17</sup>

To make the disability pension non-discriminatory and equally accessible to men and women workers, it should be dependent only on fully insured status as are retirement benefits.

#### *YMPE Increase: Uneven Impact on Women*

Pensions are based also on earnings, so they reflect the effects of discrimination in pay and opportunity and sex ghettoization. Because of these factors the legislated increase in the level of Yearly Maximum Pensionable Earnings will have a disparate impact on women. The YMPE increased from \$5,600 in 1973 to \$7,400 in 1975. Ultimately it will be tied to the annual average wage.<sup>18</sup>

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<sup>14</sup> *Ibid.*, s.44.2 added by *An Act to amend the Canada Pension Plan*, *supra*, f.n.11.

<sup>15</sup> *Ibid.*

<sup>16</sup> *Economic Problems of Women*, Hearings before the Joint Economic Committee, Congress of the United States, 93d Congress, 1st Sess., July 25, 1973, 307-318.

<sup>17</sup> *Ibid.*, 307.

<sup>18</sup> *Supra*, f.n.11, s.2(2).

The effect of this change will be to increase the pensions of male workers disproportionately to those of female workers. Although more women (and a higher proportion of women) are employed than ever before,<sup>19</sup> they continue to be clustered in low paying, low status occupations.<sup>20</sup> The annual average wage of the full time female worker in 1972 was \$5,122, compared with \$8,913 for her male counterpart. During the past three years the gap between the average earnings of male and female employees has been increasing<sup>21</sup> and owing to large, across-the-board percentage increases in wages currently being negotiated, the gap may be expected to widen further still.

Comparatively few women will benefit as much as most men from the YMPE set at the annual average wage level<sup>21a</sup> because comparatively few women will ever reach that level.<sup>22</sup> Because women's earned income is lower than men's, they would benefit more from receiving a pension based on a higher proportion of low basic earnings than they will from a lower proportion of the annual average wage.<sup>23</sup> Thus, while the increased YMPE apparently improves the position of all workers alike, equity of treatment between the sexes

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<sup>19</sup> 39.7% of all women aged 14 and over are working for pay; Statistics Canada, *The Labor Force*, Cat.71-001, Monthly, January 1975, 14, Chart 5.

<sup>20</sup> More than 62% of all women workers in 1972 were in administrative support, sales and service occupations; derived from Information Canada, *Women in the Labour Force, Facts and Figures* 1973 ed. (1974), 49, Table 24.

21 Average earnings of Identical Individuals	Male <sup>c</sup>	Females	Total	Female Income Expressed as a Percentage of Male Income
1968	\$6,202	\$3,497	\$5,396	56.4%
1969	6,858	4,042	6,019	58.9%
1970	7,366	4,461	6,500	60.6%
1971	8,014	4,748	7,040	59.3%
1972	8,913	5,122	7,784	57.5%

Revenue Canada, *Taxation Statistics* 1974 ed., 171. The figures for 1974 are as follows: Males: \$9,500, Females: \$5,300, Female Income Expressed as a Percentage of Male Income: 55.78%; address entitled *Equality: A Principle in Practice*, by the Hon. Marc Lalonde, Minister responsible for the Status of Women, to Action 75+, Ottawa, Oct. 15, 1975.

<sup>21a</sup> This is true in spite of the fact that all contributor earnings are updated according to movements in the yearly maximum pensionable earnings.

<sup>22</sup> *E.g.*, on March 31, 1972, 75% of the female public servants in Manitoba received less than, and 75% of male public servants received more than, \$7,000 per year; Civil Service Commission, *Report of the Task Force on Equal Opportunities in the Civil Service* (1974), 21.

<sup>23</sup> See, *e.g.*, testimony and brief of Merton C. Bernstein, Professor of Law, Ohio State University, *Economic Problems of Women*, *supra*, f.n.16, 297.

in practice would have dictated a lower earnings ceiling and a higher percentage replacement of earned income.<sup>24</sup>

### *Summary*

These few brief items demonstrate how policies that appear fair in form may be discriminatory in practice if the standards on which they are based are male-oriented. Jessie Bernard in *Women and the Public Interest* had this comment to make:

What I object to is the unexamined assumption that the measures, standards and evaluations of differences should be in male terms. What I reject is the overvaluation of the contribution of men and the undervaluation of the actual and potential contribution of women.<sup>25</sup>

Because of this fundamental and persistent weakness in social policy, in spite of the legislated removal of overt discrimination against women, economic security is still a male prerogative. As long as a woman fits into the traditional adult male role, she is accorded equal treatment. When she deviates from his pattern, she loses her equality. No consideration is given by policy makers to the different employment patterns of women which have evolved as they have attempted to work in the paid economy while continuing to carry their traditional burdens in the family. Nor is consideration given to the massive grants which women make to the economy through carrying those unpaid burdens (for example child care and the consumerism involved in running a home), on which the family and society is so dependent. A similar analysis of unemployment insurance and other programs would show the same weakness, for the same reasons.

### **III. Women and Taxation: Concept of Dependency**

The taxation system also deals inadequately with women's economically productive activities. Canadian tax law still embraces the concept of the dependent wife, and in doing so makes possible federal and provincial tax policies that operate seriously to her detriment.

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<sup>24</sup> Replacement income under the *Canada Pension Plan*, set at 25% of total pensionable earnings divided by possible contribution years when the Plan was established in 1966, has not been changed; *Canada Pension Plan*, S.C. 1964-65, c.51, s.46.

<sup>25</sup> Bernard, *Women and the Public Interest: An Essay on Policy and Protest* (1971), 41.

### *Interspousal Taxation*

Examples of this discrimination are to be found in section 74 of the *Income Tax Act*<sup>26</sup> which imposes penalties on women who work for their husbands in husband-wife establishments,<sup>27</sup> or in a husband-wife/employee status,<sup>28</sup> or who derive income or capital gains from property received as a gift from the husband.<sup>29</sup> Provincially, taxation on gifts and estates passing between husband and wife fall into the same category. In this case women are compelled to pay taxes on property to which they materially contributed, even though these contributions may not have been in the form of direct money payments.<sup>30</sup>

These provisions theoretically work both ways, but because of the realities of our economic and social system they usually work to the grave disadvantage of women. So great is the fear of collusion to evade taxation, that the legislators are willing to deny women who work with their husbands the employment benefits and earned tax relief other workers receive as a matter of right. In this case tax law compounds the inequities of family property law which regards such labour as a woman's wifely duty, to be performed without any resultant share in the property of the marriage unit.

Babette Barton, Professor of Law at Berkeley University of California, articulates the frustration women experience over their treatment in taxation and property law:

If I as a working woman have a bank account in which I deposit my salary, and another bank account in which I deposit gifts from my husband, what reason is there for a law that tells me I have got to use the bank account that is traceable to my salary if I want to avoid this fictional attribution of my contribution to my husband. I fail to see any

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<sup>26</sup> S.C. 1970-71-72, c.163.

<sup>27</sup> *Ibid.*, s.74(5).

<sup>28</sup> *Ibid.*, ss.74(3) and (4).

<sup>29</sup> *Ibid.*, ss.74(1) and (2).

<sup>30</sup> *Report of the Royal Commission on Taxation* (1966), vol.2, 12:

"... we are convinced that the subjection of a widow or widower to an estate tax upon the death of his or her spouse is inequitable. The estate has been generated by the earnings of the family less the spending of the family. In the typical case each spouse has had an influence on at least one of the two determinants of the size of the estate. Accordingly the savings of the family are a joint product of the efforts, decisions and sacrifices of both spouses. It is arguable that one half of the estate represents a gift from the deceased spouse to the survivor and should be subject to tax. However, we believe that to divide the estate in this way would be hopelessly arbitrary. This being so we consider that in most cases it is inequitable to subject transfers between husband and wife to any form of tax."



justification for these kinds of economic distortions . . . . If we are to continue emancipation for women under law, provisions that undervalue a woman's contributions or disparage her independence must fall to reform.<sup>31</sup>

### *The Marriage Unit for Taxation Purposes*

For taxation purposes, the marriage unit is frequently advocated as a solution to the problems of unearned income shifting between spouses. This may help to solve some of the administrative problems for tax collectors, but it will not solve the anomaly of women's economic position *vis-à-vis* taxation. An assumption made by advocates of the marriage unit for taxation purposes is that marriage creates an economic partnership to which each partner contributes and in which each shares in the savings acquired by either during the marriage. If this assumption were true there would be some validity in establishing a family unit for taxation purposes since it would be consistent with the economic position of the partners. However, as the cases of Mrs Murdoch<sup>32</sup> and Mrs Rathwell<sup>33</sup> have demonstrated clearly, the position of the married woman in Canada is far from ideal. For this reason it would be an injustice to Canadian women to establish a marriage unit for taxation purposes, without first legislating a comprehensive property law for an equal financial partnership during marriage which would apply the concept of the marriage unit not only for taxation but also for the economic benefit of the wife.<sup>34</sup>

Five years ago the Royal Commission on the Status of Women recommended the concept of the marriage unit for the purpose of taxation.<sup>35</sup> In the Report it was associated with a property law reform that would have created equity within the marriage unit for both husband and wife, and other taxation reforms that would have altered drastically the position of women in the economy.

### *Creating Equity Within the System*

Because Canadian tax law still embraces the concept that the wife is dependent and does not distinguish between her and the child who really *is* dependent, it perpetuates and magnifies inequities

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<sup>31</sup> *Economic Problems of Women, supra*, f.n.16, 262.

<sup>32</sup> *Murdoch v. Murdoch* [1975] S.C.R. 423.

<sup>33</sup> *Rathwell v. Rathwell* (1974) 16 R.F.L. 387 (Sask. Q.B.).

<sup>34</sup> Even under these circumstances I tend to believe that individual taxation would be most consistent with the goal of maintaining a woman's individual identity and providing a neutral tax context for all taxpayers.

<sup>35</sup> *Supra*, f.n.2, 304.

between other taxpayers as well as between spouses. The Royal Commission on the Status of Women dealt innovatively with the position of women in the tax system. It attempted to come to terms with women's economic role in homemaking and child care.

It considered the present tax system unfair, not because it overtaxes indirectly the incomes of married women who are gainfully employed but because in the situation where the wife works in the home it undertaxes the family without dependent children, and overtaxes the family with dependent children. Its conclusion was that the problem of creating an equitable tax system lies in tax exemptions: under the present system the tax exemption for a dependent spouse is too high, and for a dependent child is too low.

It is illogical to attach the lower exemption to the child who unquestionably requires services of a high value and so is properly classed as a dependant, and at the same time to attach the higher exemption to the wife at home who unquestionably supplies services and so should not be included in the dependant class.<sup>36</sup>

#### *Spousal Exemption: Basis of Tax Equity*

The spousal exemption is a fundamental factor in creating equity between taxpayers whether they are married or single and whether or not one or both spouses work in the paid labour market. In the present system the exemption for married couples favours the one-earner family without dependent children.

In the one-earner family where one spouse (usually the wife) works only at home, the taxpayer receives a dependent allowance for the spouse<sup>36a</sup> although the income which can be imputed from her services in the home tends to conserve and augment the earner's income. This increases the taxable income of the family disproportionately to the taxable income of the two-earner family with the same income. In the two-earner family, extra expenses are incurred by the second worker in order to earn an income (now partly provided for by a \$150 exemption).<sup>36b</sup> Extra expenses are incurred as well to the extent that the value of the services performed by the housewife is lost or the cost of replacing them is not deductible from the income of the two-earner family. There is thus an extra tax burden on the two-earner family. When this extra burden is combined with the lowering of the marriage exemption through the mandatory aggregation of spousal incomes at the lower income levels (between

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<sup>36</sup> *Supra*, f.n.2, 299.

<sup>36a</sup> *Supra*, f.n.26, s.109(1)(a).

<sup>36b</sup> *Ibid.*, s.8(1)(a).

\$314 and \$1,806),<sup>36c</sup> a strong disincentive arises to keep the secondary family earner from seeking paid employment unless her income is substantial. Yet ironically, her independent security both in the marriage and in the economy is dependent on her taking paid employment.

One writer from Vancouver estimates that a British Columbia resident earning \$10,000 with two dependent children and a wife earning between \$314 and \$1,800, would, by his tax loss, pay 30% of his wife's income. If his income were \$20,000 he would pay by his tax loss 43% of his wife's income.<sup>37</sup> This is a severe deterrent to the woman who wishes to take paid employment, not only economically but psychologically.<sup>38</sup> A significant decrease in the spousal exemption would make the tax system more neutral with respect to the spouse in the home and would thus create greater equity between taxpayers. This was recommended by the Royal Commission, which rejected an alternative proposal to include in the tax base an income imputed to the housewife's self-produced services.<sup>39</sup>

Turning to the other half of the equation, the care of children, the Royal Commission on the Status of Women made a significant break with tradition in recognizing the contribution of time and care provided by a mother in the home and recommending that it be brought into the tax system. Under the present system exemptions for child care are provided only for working mothers and one-parent families.<sup>40</sup> Many working mothers are unable to take advantage of the exemptions and others must spend much more than the maxi-

<sup>36c</sup> *Ibid.*, s.109(1)(a).

<sup>37</sup> Holme, "Love Is Being Grateful for \$314 a Year", *Kinesis*, vol.4, no.36, September 1974.

<sup>38</sup> Grace Ganz Blumberg, Teaching Fellow, Harvard Law School, believes that "the way in which a working wife perceives her efforts to be economically productive presents as significant a woman's rights issue as does the problem of total deterrence"; *Economic Problems of Women*, *supra*, f.n.16, 232.

<sup>39</sup> Hartle, *Taxation of the Incomes of Married Women*, February 1969, Studies of the Royal Commission on the Status of Women (1971). To demonstrate his principle Hartle sets an arbitrary value of \$2,000 on self-services in the home for each physically and mentally able adult of working age, and a basic non-discretionary expense of maintaining oneself. For the person earning an income, the first \$2,000 would not be taxed because this part of earned income would merely substitute for imputed income and would represent no addition to the tax base. For the person not earning an income, the non-discretionary expense would be subtracted from the \$2,000 imputed income and the remainder would be included in the tax base; *ibid.*, ch.5. See also, "Summary of the System Proposed by Hartle" in *Report of the Royal Commission on the Status of Women in Canada* (1970), 294-297.

<sup>40</sup> *Supra*, f.n.26, s.63.

mun exemptions in order to continue working. The Royal Commission recommended that:

Any compensation for the cost of caring for a dependant should not be contingent on the mother being in the labour force, because these services have to be provided whether the mother works in the home or outside. For the mother who works at home, this cost might be valued in terms of the cash income she foregoes by looking after children at home instead of taking paid employment. We believe that the state should give adequate compensation for the cost of true dependants, whether that cost is measured in cash outlays or in time devoted to care and supervision or both. This compensation should be given to all families that support such dependants whether the mother stays at home or works outside.<sup>41</sup>

The solution it suggests is substantial taxable cash allowances for dependent children<sup>42</sup> to replace the present system of family allowances and income tax exemptions for children under sixteen.<sup>42a</sup> Such allowances would enable a mother to make a free choice about looking after her children in her own home, or seeking child care while she enters the paid labour market. Presumably, since the allowance was to be for providing care and service to children, it would also entitle the mother in the home to participate in the *Canada Pension Plan* and other fringe benefits offered to paid workers.

These recommendations for the economic recognition of the role of the woman in home and child care through the taxation system have not been accepted by the government nor much supported by women's organizations. And yet they seem to be basic considerations in creating economic equality and independence for women.

#### IV. Women and the Economy: Policy Decisions on Home and Dependent Care

Family property law, social policy and taxation are all interrelated. In each area the achievement of equity between men and women is interdependent and in each the common denominator appears to be society's definition of "work". Paid labour is "work" and entitles the labourer to economic and political power and independent security. Unpaid labour is not "work" and carries with it none of these benefits. This is not to say that unpaid labour is not necessary to the economy. Just as the one third sector of the labour force which is female supports the paid economy and without which

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<sup>41</sup> *Supra*, f.n.2, 301-302.

<sup>42</sup> *Ibid.*, 303.

<sup>42a</sup> *Supra*, f.n.26, s.109(1)(d).

it could not operate, so the *unpaid* labour performed by women is the foundation of the whole society. It is this perception that the contributions of women in home, child and dependent care have economic significance that is the missing element in policy formulation. Without the introduction of this element, we cannot create a society free from discrimination on the basis of sex.

### *The Uncounted Hours*

Unpaid work is performed mainly in the household by women where it is rewarded only by lip service, dependency and minimum financial support in crisis circumstances; it is ignored by economic policy.<sup>43</sup> Even more incongruously, if a woman enters the labour market but does so in the employment of her husband (as on a farm or in a small business establishment) she is penalized.<sup>44</sup>

The classic response when these situations are questioned is: "How do we know she is actually working?"; "So little is known about the household". It is also contended that special supervision of women's activities would be not only difficult but also offensive: "How do I know you don't run a dirty house?". A strict analysis of performance of other services paid with public funds in the occupational categories of teachers, clergy, elected officials, civil servants, doctors and armed forces would not reveal complete satisfaction either. Many of these occupational and service groups will not allow their members to be monitored or disciplined except by themselves.

Only very recently has there been reason to hope that the household and the work women do within it may become part of our policy considerations in the future. This is because economists are beginning to perceive both as factors in economic development. To know more about the unpaid work women perform at home is becoming a matter of expediency for the economy, not only a matter of justice for women.

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<sup>43</sup> Menzies, "The Achilles Heel of Women in the Industrial Society" in *Women Speaking*, April 1969; "The Family, the Homemaker and the Economy" in *Women Speaking*, July to September, 1970.

<sup>44</sup> She is not granted the status of a paid worker and so is not eligible for the Canada Pension Plan or unemployment insurance like other workers; she is given no protection of her right to any of the assets she and her husband may acquire as a result of their joint labour; and she is taxed at a rate higher than other taxpayers. Ironically, the exclusion of this woman is done in the name of equality between men. The intention is to prevent her husband from evading income tax. That it also prevents her from building up the independent security to which other workers are entitled is known, but is considered administratively too delicate for bureaucrats to handle. See text, *supra*, Part III, "Interspousal Taxation".

Economic growth requires manpower, capital and materials for increased production. It also requires increased consumption. Women manage that consumption.<sup>45</sup> Kenneth Boulding estimates that households purchase about 60% of the GNP in the U.S.A., and observes that if other institutions had to perform the function of households, society would immediately collapse.<sup>46</sup> Theodore W. Schultz identifies the household as the

... predominant small, personal, face to face, private enterprise. It requires organization, management and a good deal of entrepreneurship. The decision-making pertaining to the household, borne mainly by women, has become increasingly complex ...<sup>47</sup>

It is within these households that the major part of the work women do takes place.

An empirical study on time spent in fourteen hundred two-parent households on routine household work<sup>48</sup> indicates that the extent of services that each family provides for its members depends primarily on three things: the number of children in the family, the age of the youngest child, and whether the housewife is employed in the labour force. On the average, women who are not employed outside the home do over 75% of all work done in the household and spend 8 hours per day on routine household tasks.<sup>49</sup> The woman who works for pay outside her home continues to do over two-thirds of the work in her own household and spends on the average 5.3 hours per day on unpaid work in the home.<sup>50</sup> With this data one can assess

<sup>45</sup> Galbraith, *supra*, f.n.9, 31.

<sup>46</sup> Boulding, *The Household as Achilles Heel*, Premier Lecture of the Colston E. Warne lecture series presented at the American Council on Consumer Interests Annual Conference, Dallas, Texas, April 1972; reprinted in *Journal of Consumer Affairs*, vol.VI, no.2, Winter, 110-119.

<sup>47</sup> Schultz, "Woman's New Economic Commandments" in *Families of the Future* (1972), 79, 84.

"The new extension in theory reveals that each consumer good has two prices attached to it — a money price as in traditional consumer choice, and a time cost of acquiring, processing and consuming the commodity." (at 82).

<sup>48</sup> Walker and Gauger, *The Dollar Value of Household Work*, Social Sciences-Consumer Economics and Public Policy No.5, Information Bulletin 60, Cornell University, Ithaca, New York, 1973.

<sup>49</sup> These times do not include the time spent on supervisory guidance and protection for minor children. They do include: marketing, management and record keeping; food preparation and aftermeal cleanup; house care and maintenance, yard and car care; washing, ironing and special care of clothing; physical and other care of family members.

<sup>50</sup> Time-spent studies are now being conducted in one-parent and one-person households.

the dollar value of unpaid work performed by both adults in a two-parent family in the course of a year and calculate what it would cost to replace the services of either.

For example, in a family of four made up of two adults and two children, one aged five and the other less than a year, Walker and Gauger estimate that if the husband alone were employed in the labour market, both parents would contribute the equivalent of \$8,800 in household work to maintain the family. This is made up of work performed by the father valued at \$1,200 and work performed by the mother valued at \$7,600. If the mother had paid employment of fifteen hours per week or more, the total time contributed by both spouses would decrease, so that the overall value of time spent working to maintain the home would be \$7,500. The division is now the equivalent of \$1,300 contributed by the father, and \$6,200 by the mother.

An assessment of the monetary value of household work will be possible only when up-to-date data on the way time in the home is spent by women is collected and appropriate wage rates are available.<sup>51</sup> This is clearly a federal government responsibility. But despite the need for additional data, the research at Cornell discloses that household activities continue to take time at all stages of the family cycle. Much of the work cannot be automated, and it is untrue to assume that less physically demanding household work means less time-consuming work. Employed women who also manage their homes work 66 to 75 hours a week. "Where", asks Kathryn Walker, "is the leisure society we are brainwashed to believe we have?"<sup>52</sup>

Statistics gathered from around the world show the same phenomenon. Married women who are also employed work up to 96 hours per week. Recently the United Nations has expressed concern for the physical health of mothers fulfilling the dual role of paid worker and homemaker.<sup>53</sup> Dr Geraldine Gage suggests the reason women work such long hours at home even though they are employed full time outside is that the work at home must be done or the deterior-

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<sup>51</sup> Nevertheless, one recent estimate for the contribution in aggregate of women working in the home not for pay in the U.S.A., using the Walker data, is \$200 billion dollars annually; Gage, *Women in the Gross National Product — A View from the Kitchen*, unpublished paper given to the Conference on the Economic Position of the Woman in the Family, Winnipeg, Manitoba, April 26-28, 1974.

<sup>52</sup> Walker, "Household Work-Time", *Journal of Home Economics*, Oct. 1973.

<sup>53</sup> *Equality of Opportunity and Treatment for Women Workers*, International Labour Conference 60th Sess., 1975, Report VIII, 3-64.

ation in the quality of life of their families would be too great for the family or society to tolerate.<sup>54</sup>

The fact is inescapable. The work at home is a necessary adjunct to the work in the market place. Each is necessary to the survival of society. Unpaid work is no less demanding than paid work, and it must be performed regardless of the circumstances. There is little sharing of the burden. Husbands increase their contribution to the work in the household only marginally even when their wives are employed full time outside the home.<sup>55</sup> Contrary to popular belief, young husbands in the U.S. survey assumed very little more of this burden than did their older counterparts. In terms of U.S. wage rates of December 1973 and average work-life statistics, Dr Gage estimates that the unpaid services to the family over the life time of any woman who has had children, exceed a quarter of a million dollars. If she follows the average employment pattern of U.S. women, the value of her work in the home will exceed her earned income from paid employment.<sup>56</sup> Yet only through her earned income does she acquire independent economic security and a right to a share of the property she will help to acquire within the marriage partnership.

Women cannot attain economic equality as long as the major economic role they perform is outside the economy and is disregarded in policy formulation. As long as we exclude the household and the labour performed within it from the legitimate economic framework of our society, women cannot attain equality and they will not be able to share in the benefits of society proportionately to the contribution they make to it.

The solution to this basic problem is not a matter of "attitudes" which a government can afford to ignore. It is a matter of hard-core economic and social policy for which a government has primary responsibility.

<sup>54</sup> Gage, *supra*, f.n.51.

<sup>55</sup> From an average of 18% when the wife works only in the home, to only 20% if she works for pay outside the home; Walker and Gauger, *supra*, f.n.48.

<sup>56</sup>

Table  
Lifetime Value of Economic Productive Activities  
in Stenographic Occupations  
Winter 1973

No. of Children	Earnings (thousands \$)	Services Dollar Equivalent (thousands \$)	Total Value (thousands \$)
0	\$204	\$182	\$386
1	146	225	371
2	128	252	380
3	117	257	374
4+	99	285	384

Gage, *supra*, f.n.51.