

THE WORKING POOR: CANADA AND THE WORLD

Jody Heymann, Magda Barrera and Alison Earle

Child poverty remains one of the most important long-term challenges facing policy-makers around the world. Canada is one of 188 countries that made a commitment to the Millennium Development Goals of eradicating extreme poverty. Thus far, progress has been uneven, with some regions already achieving the targets and others lagging far behind. Effectively tackling child poverty requires ensuring that parents can succeed at earning a living while caring for their children well. This article examines policies that can make a difference to the productive lives of families. It offers recommendations for how policy-makers can ensure that Canadians have access to the working conditions and social supports they need to exit poverty and improve Canada's contribution to addressing global poverty.

Pour les décideurs politiques de partout dans le monde, la pauvreté chez les enfants reste l'un des défis majeurs qui exigent des efforts à long terme. Le Canada est l'un des 188 pays qui se sont engagés, dans le cadre des Objectifs de développement du millénaire, à éliminer la pauvreté extrême. Jusqu'à présent, les progrès réalisés sur ce plan varient selon les pays : certains ont déjà atteint l'objectif, et d'autres traînent encore loin derrière. Pour s'attaquer de façon efficace à la pauvreté chez les enfants, il faut s'assurer que les parents ont un revenu suffisant qui leur permette d'élever leurs enfants de façon convenable. Les auteures font des recommandations pour assurer que tous les Canadiens profitent de conditions de travail adéquates et du soutien nécessaire.



In 2000, Canada, together with the 188 other members of the United Nations, made a commitment in the context of the Millennium Development Goals to work to eradicate extreme poverty and hunger. Since then, progress has been uneven: some regions, including East Asia and Southeast Asia, have already met the target of halving extreme poverty between 1990 and 2015 (in East Asia the proportion of its population living in extreme poverty went from 33 percent in 1990 to 10 percent in 2004; while in Southeast Asia the proportion went from 21 percent to 7 percent in the same period). Other regions, such as sub-Saharan Africa, have been making much slower progress (in 1990, 47 percent of sub-Saharan Africa was living in extreme poverty, compared to 41 percent in 2004).

While economic growth alone is not enough to reduce poverty, those regions in which poverty has decreased are those that have experienced high economic growth, for example, in East Asia, China. In contrast, in sub-Saharan Africa, while the proportion of people living on less than \$1 a day has fallen slightly, the number of people living on less than \$2 a day has increased. For the most part, countries in

this region experienced small or negative economic growth during the 1980s and 1990s.

Meanwhile, child poverty remains one of the most intractable challenges facing policy-makers around the world. A 2007 UNICEF study measuring seven factors of severe deprivation for children (lack of shelter, safe drinking water, decent sanitation facilities, education, information, health and adequate nutrition) concluded that over 1 billion children suffer from at least one form of severe deprivation, with about 700 million children suffering from two or more forms.

Even in countries with low absolute poverty rates, the relative poverty of children is a pressing concern. The European Union defined poverty in relative terms in 1984 as limited resources that exclude the poor from "the minimum acceptable way of life in the member states in which they live." Relative poverty rates are stagnant or rising in many countries. Among 24 OECD countries, Canada ranked 15th for the proportion of children living in relative poverty. Child poverty rates in Canada have remained constant at 12 percent since 1989, despite economic growth. Poverty rates

are particularly high for children of recent immigrants, First Nations children, visible minority children and children with disabilities, and the presence of at least one working person was not in itself enough to ensure adequate income: 41 percent of low-income children were living in such families.

Effectively tackling child poverty requires addressing family poverty. Both globally and in Canada, there are three principal ways to lift families out of poverty. The first is work: enhancing the quality of parents' jobs so they can better contribute to family income and are better able to care for their children. The second is education: improving children's access to and the quality of education so that they will have better work opportunities as adults. The third is through income support programs that increase family income by direct transfers.

Because income support mechanisms are rarely effective as a long-term means of alleviating poverty among families, this article focuses on changes in parental work and in education that would affect intergenerational poverty.

Our research group, the Project on Global Working Families, has analyzed large, nationally representative, closed-ended, publicly available household-level surveys of more than 55,000 households in North America, Europe, Latin America, Africa and Asia to examine the differences and commonalities among the experiences of working adults and their children across national borders, social class, occupation, gender and ethnicity. In addition to representing different regions, the selected countries represent high-, medium-, and low-income nations; have economies driven variously by natural resource extraction, manufacturing and services; and include democratic as well as socialist governments.

We have also conducted more than 2,000 in-depth, open-ended interviews with working families,

employers, teachers, child care providers and health care providers, around the world on all continents.

Our global research clearly documents that parents pay a significant financial penalty for care giving, and must often choose between caring for their children and earning income. Penalties include direct financial losses in terms of salary deductions and fines as well as indirect income losses in terms of missed job promotions and, in the most extreme cases, loss of a job altogether.

The penalties for care giving are even harsher for lower-income parents. In Mexico, 58 percent of low-wage parents lost income or job promotions, or had difficulty retaining

Quebec has both the highest total proportion of children attending child care and the highest increase. In 1997, Quebec introduced publicly subsidized daycare centre care costing \$5 a day, which went up to \$7 a day after 2003. The proportion of children attending daycare centres in Quebec doubled over the period to 52 percent of children in 2002-03.

a job, because of the need to care for sick children, compared to only 25 percent of parents whose incomes were higher. (Throughout this paper the \$10-per-day threshold is adjusted for purchasing power parity for all countries.) In Mexico 18 percent of parents with incomes lower than \$10 a day lost job promotions or had difficulty retaining a job. In Botswana, 41 percent of low-wage parents lost income or job promotions or had difficulty retaining a job because of the need to care for sick children, while 23 percent lost job promotions or had difficulty retaining a job because of care giving responsibilities. Comparative numbers for parents with higher wages to start with were about half of those of poorer families. In Vietnam, 70 per-

cent of parents in poverty lost income or job promotions or had difficulty retaining a job because of the need to care for sick children. Overall, lower-income working parents are more likely to suffer financially from caring for their children.

In Canada, research has similarly shown that employees with high-paying, full-time or permanent jobs are more likely to have access to non-wage benefits. Employment insurance provides sickness, maternity, parental and compassionate care benefits. According to Statistics Canada, self-employed workers, who are not covered by EI, currently make up 15 percent of the Canadian workforce. Studies of EI eligibility and replacement rules have found that the system places women at a disadvantage since they are more likely to be in part-time jobs. Also, the eligibility system tends "to exclude the most disadvantaged women — those who were less well educated, had lower earnings and worked for small firms."

Because of poor working conditions and inadequate social supports around the world, the children of working-poor parents are being left home alone or in the care of other children.

Our Global Working Families Study found that 48 percent of parents in Botswana, 27 percent of parents in Mexico and 19 percent of parents in Vietnam had to leave a young child home alone or in the care of an unpaid child. The damaging effects of children being left home alone are clear. Such children are much more likely to suffer accidents or other emergencies. Sixty-six percent of parents who had to leave children home alone or who relied on an unpaid child for care reported accidents or emergencies while they were at work. Even if less urgent than accidents or emergencies, being left home alone had strong negative impacts on children's development. Thirty-five percent of parents who had to leave children home alone reported that their children had behavioural or developmental problems.

When parents lack other care giving options, school-age children lose the opportunities to gain the education they need to exit poverty. They are often kept home from school to care for their younger siblings while their parents are at work.

In all the five countries we studied the presence of children under five in the household was associated with a lower possibility of school enrolment for older children. This was true for the

While economic growth alone is not enough to reduce poverty, those regions in which poverty has decreased are those that have experienced high economic growth, for example, in East Asia, China.

children of single working parents and the children of dual-earner parents. The school-age children of lower-income parents were particularly affected. Forty-two percent of low-income, single-working-parent families in Brazil and 37 percent of low-income, single-working-parent families in Mexico who had a 0-to-5-year-old also had at least one school-age child not enrolled in school. The consequences include markedly diminished long-term chances of children exiting poverty in their lifetimes.

The argument among policy-makers has long been that we cannot address child and family poverty directly because we do not have enough information on what works. In fact we do know which measures make a difference.

In our global studies, 40 percent of parents who were unable to take any leave from work for care giving had to leave a child home alone sick; the number was only 18 percent for parents who were able to benefit from leave for care-giving. Nineteen percent of parents who could not alter their work schedule or get paid leave for care giving had to leave a child home alone sick; for those who did have these benefits, the number was only 4 percent. Children of parents who had some measure of flexibility in their work schedules were clearly much more likely to receive parental care when sick.

Parents' working conditions also made a significant difference in their

capacity to contribute to their children's education. The existence of decent working conditions once again made a huge difference to children's outcomes.

Eighty-three percent of low-income parents with no paid leave and no flexibility who were single and had no other care givers in the household reported that their children had behavioural or academic difficulties in school, compared with 48 percent of low-income

parents who did have adequate working conditions and supports. Seventy-one percent of parents, regardless of income, with no paid leave, no flexibility, no regular help from family and no other care-givers in the household had children with behavioural or academic difficulties in school, compared to 47 percent of parents with adequate working conditions and supports. In short, parental working conditions have a tremendous impact on children, and this effect is exacerbated for low-income parents who can ill afford substitute care.

To begin with, when parents have access to early childhood care and education, their children are much less likely to be left home alone. Only 14 percent of parents who had access to paid informal care or formal child care had left their children home alone, compared to 82 percent of parents who did not have either formal care or paid informal care. Beyond that, early childhood education and care increases children's chances of succeeding in primary school, in secondary school and in the workforce when they grow up. At the same time, their parents are able to earn income that assists the family in exiting poverty.

Child care policies are extremely important and can make a significant difference in the lives of children and parents. Looking at the three different countries is illustrative.

Forty-eight percent of families in Botswana had left a child home alone or in the care of an unpaid child. Botswana has no child care policy. Mexico fared better; there 27 percent of families had left a child home alone or in the care of an unpaid child. Mexico provides child care for workers in the private, formal sector through social security, and the gap was particularly narrowed for those served by the program. Vietnam has a policy of universal formal child care, and only 19 percent of families had left a child home alone or in the care of an unpaid family. The gap between higher- and lower-income families was effectively reduced, due to the broad public nature of the program. In Vietnam, 57 percent of parents with income below \$10 a day used formal child care, a negligible difference compared to the 62 percent of parents with income above \$10 a day. These striking differences in outcomes reveal that public policies and programs can make a critical difference for working families.

The story is paralleled in Canada. Approximately 70 percent of children living in households with income above three times the low-income cut-off (LICO) line were in formal child care, compared to a high of 40 percent of children living in households below LICO. Public policy clearly has had a central role to play. Quebec has both the highest total proportion of children attending child care and the highest increase. In 1997, Quebec introduced publicly subsidized daycare centre care costing \$5 a day, which went up to \$7 a day after 2003. The proportion of children attending daycare centres in Quebec doubled over the period to 52 percent of children from 1997 to 2003.

Much of what is needed for families to exit poverty in Canada and globally has been embodied in global agreements. The Universal Declaration of Human Rights, adopted by the UN in 1948, establishes the right to adequate pay at work, reasonable working

hours and paid leave. The UN Convention on the Elimination of All Forms of Discrimination against Women, adopted in 1979, has been accepted by 177 countries. Among other features, it requires all signatories to provide paid leave. The need to provide social services to support child care is included in the UN Convention on the Rights of the Child, signed by 192 countries, including Canada. A significant degree of global consensus on the right to many basic working conditions is evident in the commonalities in legislation at the national level. At least 143 countries around the world guarantee paid annual leave. At least 129 countries require employers to provide a mandatory 24-hour period off each week. Paid sick leave is provided to employees in at least 159 countries. Paid sickness benefits for at least one week are provided by 148 countries.

Countries that provide a floor of decent working conditions such as paid leave encompass all regions and levels of development. Measures such as paid maternity leave enjoy near universal agreement; 172 countries out of 176 guarantee paid maternity leave. More than half the countries that provide paid leave for mothers offer at least 14 paid weeks. Sixty-nine countries guarantee paid leave for new fathers. At least 109 countries protect women's right to breastfeed at work. The majority of these countries guarantee the right to breastfeed for at least a year. Furthermore, contrary to the common argument, having good labour policies does not appear to be detrimental to a country's economic competitiveness. Of the 14 countries ranked at the top of the Global Competitiveness Index, only the United States does not provide paid sick leave or paid maternity leave (table 1).

While there has been significant progress in reaching global agreement on conventions and enacting legislation that would aid working parents and their children, there are also real limitations. International Labour Organization



The Gazette, Montreal

Marchers in the disadvantaged Montreal neighbourhood of Hochelaga-Maisonneuve take part in a demonstration in 2006 calling for better treatment of low-income workers.

conventions suffer from a lack of enforcement and accountability. While the ILO requires signatories to report on laws and practices, it has very limited powers

to enforce compliance. National laws can be more immediately effective since they would be easier to monitor, but there are no assurances of implementation. A great deal

TABLE 1. PAID SICK LEAVE

Country	Any paid leave for health reasons?	Amount of paid leave (days)
Australia	✓	31+
Canada	✓	31+
Denmark	✓	31+
Finland	✓	31+
Germany	✓	31+
Iceland	✓	31+
Japan	✓	31+
Netherlands	✓	31+
Norway	✓	31+
Singapore	✓	11-30
Sweden	✓	31+
Switzerland	✓	31+
United Kingdom	✓	31+
United States of America	X	-

depends on the political will and governance capacity of each country.

There is a great deal more we need to learn about the conditions in which young children are being reared and the struggles their working parents are facing worldwide. But the evidence is clear about two essential points:

- The lack of decent working conditions and social supports in practice makes it nearly impossible for millions of parents to balance caring for children well with working and prevents millions of families from exiting poverty.
- Young children are being left home alone, in the care of other young children and in grossly inadequate care. The healthy development of all of these children is placed at risk, as is the education of the only slightly older children pulled out of school to care for them. As a result, their chances of exiting poverty as adults are placed in jeopardy.

The world of work could truly be transformed, and with it not only the lives of working adults but the lives of the children and elderly family members they care for, if we held ourselves and other countries accountable for what we have already said we would do.

Canada has a dual role to play in raising the standards for decent working conditions. It must ensure that all Canadians have access to decent working conditions and social supports. Canada has already achieved a great deal in this regard and stands above many countries in guaranteeing protections such as family sick leave. However, there are still areas where the working poor in Canada are at a disadvantage.

- Canadian policy-makers should ensure decent working conditions that enable families to exit poverty. This is a particular concern for the growing number of Canadians in nonstandard forms of employment. Temporary, self-employed

When parents lack other care-giving options, school-age children lose the opportunities to gain the education they need to exit poverty. They are often kept home from school to care for their younger siblings while their parents are at work.

and lower-income workers often lack the guarantees of working conditions enjoyed by Canadians in permanent, full-time and higher-paying jobs.

- Canada needs to increase the support services available to working parents and their children. Having access to quality child care is crucial for early childhood development and children’s life chances. After-school programs for school-age

children also play a critical role in improving the multi-generational chances of working-poor families.

At the same time, Canada has an important role to play as a global citizen. Perhaps more striking than any other finding from our examination of laws in 180 countries was how many of them already contained crucial protections to ensure decent working lives. Not only have the overwhelming majority of countries signed international agreements and conventions that, if implemented, would guarantee children decent care and help them and their parents exit poverty, but the majority have also passed laws in their individual countries that guarantee that those working can take leave when they are sick, that women can take leave when they give birth to a child, that there are maximum work hours and days of rest — the list goes on. Given the potential in protections provided for in these policies, here is what we would recommend:

- Canadian policy-makers should negotiate trade agreements that include an enforceable clause that countries will fulfill their own labour laws and abide by the international agreements they have already signed. Enforcement would kick in only if the country

does not abide by its own laws. No one could argue that such an approach is either culturally imperialist or protectionist, as it is based on ensuring that countries abide by their own labour laws and the agreements they have freely signed.

- Canadian policy-makers should advocate that a UN-mandated global organization, perhaps the ILO, be charged with assessing

whether countries are in fact implementing the labour laws they have passed and the agreements they have signed. A group of representatives from other countries would help assess compliance. A simple and straightforward report card would be issued.

- Countries that neither signed basic agreements nor passed any laws guaranteeing decent work should be highlighted. As Canadian companies decide what country to produce in, and as Canadian consumers decide what country to purchase goods from, it would be easy for them to spot where the outliers are. This would dramatically change the power and recourse of consumers and the ability of companies to purchase from countries with decent working conditions. The current lack of readily available transparent information has created a market failure when it comes to individuals being able to pay more for more humane condi-

tions — and the first step in reversing it would be better information.

We recognize that creating decent conditions for adults and children and assisting families in exiting poverty require two types of change. The first — ensuring decent working conditions — requires little financial assistance from richer countries to poorer ones. All countries can afford to ensure a day of rest or leave when a worker is sick. The cost of this kind of guarantee of humane working conditions is higher in high-income countries, which can better afford the cost, and lower in low-income countries, where salaries, and thus the proportionate cost of leave, are lower.

The second set of changes requires an increased investment in education — from early childhood care and education on up. In the long run, these investments can be self-financing. As countries invest more in education, they would be able to compete for the higher-wage and salaried jobs and to create a stronger tax base that

could fund the educational expenses. The start-up costs, however, of investing in education are clearly out of reach for many of the poorest families and may be out of reach for some of the poorest countries. A global fund, similar to the global health fund, will be required if we are to reach these Millennium Development Goals. If Canada were to lead the way in the creation of a global education fund, it would be an immense step forward in the fight against global poverty.

Jody Heymann is founding director of the Institute for Health and Social Policy at McGill University and the Project on Global Working Families at Harvard University. Canada Research Chair on Global Health and Social Policy Magda Barrera is research assistant at the McGill Institute for Health and Social Policy and co-director of the initiative Population Health: From Research to Action, and Alison Earle is research scientist at Harvard University and co-director of the Project on Global Working Families.



POLICY
OPTIONS
POLITIQUES

POLICY OPTIONS SUBSCRIPTION ORDER FORM

**SUBSCRIBE
ON-LINE**
www.irpp.org

1470 Peel Street
Bureau 200
Montreal, Quebec
Canada H3A 1T1

New Renewal (please include subscriber # _____)

1 year

2 years

- \$49.98 (GST included)
- \$53.73 (Quebec taxes incl.)
- \$67.60 (US)
- \$87.60 (Other countries)

- 87.46\$ (GST included)
- 94.02\$ (Quebec taxes incl.)
- 123.30\$ (US)
- 163.30\$ (Other countries)

PAYABLE IN CANADIAN FUNDS ONLY

Name _____

Company _____

Address _____

City _____ Province _____

Postal code _____ Telephone _____

Payment enclosed VISA MasterCard Amex

Card no. _____

Card expiry date _____

Signature _____