

# The Myth(s) of Globalization

## Gender Bias in “EI” Policy as a Case in Point

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*Cet article regarde l'aspect de la mondialisation qui est le plus visible et les conséquences immédiates pour le Canada: le démantèlement des barrières tarifaires en Amérique du Nord. L'auteure écrit que les industries vulnérables aux importations incluant un grand nombre de bastions traditionnellement féminins comme le textile et la chaussure, se sont mal tirées dans la transition. Traçant la vraie dimension du problème, cet article examine les conséquences genrées de trois « mythes » importés qui ont joué un grand rôle dans la « réforme » du régime de l'assurance-emploi du Canada au milieu des années 1990.*

Consider this a cautionary tale. Precisely what it is that I am cautioning *against*, I will leave for my conclusions. Let me just say that it has less to do with the fact of globalization than with the way we think about it—or more accurately, the way we use it to think. But more of that later. For the present let me just get on with my story.<sup>1</sup>

It is a commonplace by now that globalization has reshaped labour markets around the world. What is less widely recognized is that statements like this are meaningless without further qualification. Like postmodernism—the last big new “thing” embraced by academics as a catch-all explanation for the contemporary condition—the phenomenon has many facets, from theoretical concept to economic descriptor. Even if one limits oneself to empirical manifestations, the possibilities are daunting. The term globalization is used for everything from the deregulation of investment, to the transnationalizing of culture, to the so-called information and communications technology (ICT) revolution. For present purposes, I am going to focus on the aspect that has had the most visible and immediate consequences for Canada: the dismantling of trade barriers within North America.

I am *not* going to argue pros and cons—not in the broad sense, in any case. Whether the net result of this development is or will ultimately be positive or negative

is a question still hotly debated. Advocates point to the strong performance of the Canadian economy in recent years. Critics cite trends like job polarization, runaway displacement rates, and increasing income inequality to prove that the strengthening of the Gross Domestic Product (GDP) has not helped ordinary people. It is beyond the scope of this paper to arbitrate such claims. One thing both camps agree on is that industries vulnerable to imports—including a number of traditionally female bastions, like textiles and shoes—have fared badly from the transition. What has not been so systematically plotted are the effects of what is perhaps the most pernicious and pervasive import of all: foreign—particularly American—ideology.<sup>2</sup> While all disadvantaged subgroups of workers have suffered as a result of the incursion, women have been especially big losers. As a preliminary stab at tracing the full dimensions of the problem, this paper examines the gender-specific consequences of three imported “myths” that played an important role in the mid-'90s reshaping—or as the government would have it, “reform”—of the Canadian unemployment insurance regime.

Before getting down to brass tacks, I should clear up some misapprehensions. I said that women have been big losers from recent changes—in fact, as the reader may be thinking, this statement runs somewhat counter to current opinion. Confounding the dire predictions made by advocacy groups about what would happen if the federal government stepped down its role in social programming, recent evidence seems to suggest that, at least in the employment area, women fared better during the '90s than men (Heisz, Jackson, and Picot). Labour force participation rose almost to male levels. Unemployment rates for most cohorts decreased to *below* male levels. Even the wage gap narrowed significantly. How can I now say that the ideological climate worked to women's disadvantage?

Unfortunately, when it comes to women and work, things are often not what they seem. Even the positive

indicators are less rosy than they look on the surface. It is clear from survey research, for instance, that the rising participation rate—which has stalled now in any case—was driven less by unleashed female ambition than by a rise in the number of woman-headed single-parent households and an erosion of the real value of wages that made it impossible for middle class families to survive on one income. The reduced incidence of unemployment was offset by a continued gender imbalance in duration rates. As for the wage gap, while it is true that this has closed somewhat as women catch up to men in educational and experiential endowments, the portion not explicable in terms of hard factors—the portion generally attributed to discrimination—has at least persisted and, by some accounts, actually expanded (Chaykowski and Powell). More problematic than these unacknowledged qualifiers, on the other hand, is the fact that figures tell only a small part of the story.

Due to the data collection methods used by Statistics Canada, there are at least three aspects of female disadvantage which are not captured by—or at least not easily discernible in—aggregate employment figures. The first of these relates to sub-group differences. While prime-aged, well-educated women have, indeed, done better than their male counterparts over the last decade, low skilled women, disabled women, minority women, and older women of all skill levels have not shared in the improvement. The second relates to the huge growth of non-standard work—most of it characterized by low levels of compensation, poor working conditions, lack of benefits, and minimal security—and the extent to which women are over-represented in the sector, often involuntarily. The third relates to the fact that many non-working women are defined not as unemployed but as not in the labour force. A person who withdraws to care for young children or a sick spouse or parents—usually a woman—is not counted as unemployed. A person who stops looking because she is discouraged—and again, women dominate in the category—is not counted as unemployed. A person who takes early retirement because ageism makes finding work increasingly difficult after 50—especially for women—is not counted as unemployed. It is clearly notable with respect to this last point that over a third of working women leave the labour force before 60.

Phenomena like these clearly document gender disadvantage, yet none of them show up in the official picture. More to the point for present purposes, none of them were taken into account in the mid-'90s reform initiative. Judging by the voluminous discussion papers released during the period, in fact, gender didn't even come into it—the debate was framed in such a way that it would be fought out on the level of ostensibly gender-neutral ideological principles. This is unfortunate, because as long as women are less employable than men, they are going to be more vulnerable to any change that

makes unemployment benefits, whether by way of income support or of job-finding assistance, less generous, less easy to get, or less effective. In fact, Canadian unemployment insurance moved in all these directions during the '90s, in some cases deliberately and explicitly, in others as an apparently unintended byproduct of administrative changes or policy choices. To see the role played by globalization in this phenomenon, what I want to do is to look a little more closely at a few of the imported ideas—or as I call them, myths—by which these developments were driven.

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### **Myth #1: Generous Social Assistance is a Disincentive to Work**

At this point it is necessary to backtrack again. When most people hear the term unemployment insurance reform, what they think of is the process and discussion leading up to the passage of the 1996 *Employment Insurance Act*. What is important to realize, however, is that the basis for most of the so-called reformist elements in that Act had already been put in place through amendments to the old legislation years earlier. While the details remained to be worked out, in other words, the essential paradigm shift was already a *fait accompli*. Nowhere was this more evident than in the changes made to the income support portion of the program. Between 1993 and 1996, the maximum replacement rate for regular claimants was reduced from 60 to 57 to 55 per cent of earnings, and the maximum benefit duration was reduced from 50 to 45 weeks. Already this presents particular problems for women. One needn't be a rocket scientist to realize that any decrease in support lengths and levels is going to have more impact on those who earn less and take longer to find jobs. The damage done by the reduced entitlements, however, pales in comparison to the damage done by the tightening up of eligibility requirements. Thanks to a combination of shorter qualification periods, tougher penalties for avoidable separation, and higher entrance requirements, the coverage two years after passage of the new Act had dropped from 74 to 36 per cent of all unemployed persons, and to less than half that for those in the predominantly female re-entrant category. Why did the government choose a course so obviously detrimental to the more disadvantaged subgroups of the unemployed? Critics talk about elite bias, or the corporate agenda. Or they point to power shifts in Ottawa. Or they blame Paul

Martin's passion for deficit cutting. The disappearance of \$28 billion dollars in premium surplus into general revenues between 1996 and 2001 gives considerable credence to such more or less sinister explanations. Looking over the policy documents of the period, however, it seems likely that at least some of the impulse to belt-tightening was based on a quite genuine belief on the part of some politicians—and this is where the imported ideology came in—that a leaner, meaner system was better in the long run both for the workers and for the country.

What do I mean by this? Unemployment rates in

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Canada and the U.S. were generally quite similar until the beginning of the '80s, when they began to diverge (Storer and Van Audenrode). By 1984 the Canadian rate topped the American rate by almost four points. At the peak of the early nineties recession, the gap had reached 4.4 per cent. The conventional—or at least the convenient—explanation for this was that Canada's notoriously liberal (from an American standpoint) social assistance programs created disincentives to work. (For a review of variants of the thesis, see Kuhn.) Employment Insurance (EI) was a particular target. When benefits are too generous or too easy to get, so the reasoning went, it not only decreases the effort people put into job hunting and makes them fussier about what they will accept, but increases the likelihood that they will quit in the first place. In the strong version of the theory, there is an implication of deliberate fraud. In the benign version, it is simply an unconscious reaction to temptation. Whatever the motives, however, the result is that people become trapped in cycles of dependency. This is where the leaner, meaner scenario comes in. The only way to help individuals caught up in this syndrome, according to the disincentives camp, is through a kind of tough-love regime focusing on "active employment measures" rather than passive support (Corak 1992a and b). The priority for the government, therefore, should not be to make unemployment painless, but to promote self-sufficiency by improving employment development services such as counselling, training, wage subsidies and so on—and, of course, to remove the temptation to sit pat.

On the surface, this argument does not sound entirely unreasonable. The idea of helping people make themselves more employable could even work to the advantage of the groups we are concerned about. For low-skilled and older women, one of the key obstacles has been the

unavailability of retraining. The closer one looks, however, the fishier things smell. Even without hard facts, one has to question the assumption, implicit in the whole line of thinking, that most people, given the chance, would prefer not to work. This is not just psychologically improbable; considering the language used in some of the literature, it is difficult to avoid the suspicion that what we are seeing is a recycling of old classist stereotypes about the laziness and dishonesty of the poor. *With* hard facts the picture looks even less credible. Although the disincentives theory was well entrenched in the Canadian literature by the '90s, it is important to recognize that it originally emerged from work done in the '80s in other countries, especially the United States. As it happened, the change of location turned out to be critical. Whatever its validity elsewhere, by the mid-'90s, as more Canadian data became available, researchers were beginning to question whether the "generosity promotes dependency" model was quite as portable as it had seemed. A key player in this development was Miles Corak, a Senior Research Economist with Human Resource Development Canada's (HRDC) Analytic Studies Branch who, ironically, had himself contributed significantly to the earlier disincentives literature (1992a and b). In 1994, having conducted a full review of the research, M. R. Corak concluded, obviously somewhat to his own surprise, first, that unemployment insurance had probably not influenced unemployment in the country nearly as much as had been supposed, and second, that while the so-called disincentives may have affected particular minorities, they had very little effect on the majority of recipients.

Subsequent work added weight to Corak's conclusions. Typical of the findings that emerged between 1995 and 1998, for the most part from the work of the government's own researchers, were the following:

- Only a small percentage of claimants work just long enough to collect EI, and there are more layoffs than quits just after eligibility is established (Christofides and McKenna).
- Reducing benefits in 1994 did not reduce durations of unemployment spells (Jones).
- Entitlement to benefits has only a minor effect on job search intensity (Cremieux, Fortin, Storer and Van Audenrode).

Put these pieces together, and it is clear that the projected image of growing hordes of unprincipled lower-class parasites working just long enough to qualify and then sitting on their duffs doing nothing until their benefits are ready to run out has no basis in fact.

What are we to make of this? There are two inferences that one might take from the situation, actually. One has to do with what it implies about the quality of the leadership the country has enjoyed for the last decade. I said earlier that there is reason to believe that for many of

the parties involved, the revamp of the Employment Insurance (EI) support system was based on genuine convictions. Far from an excuse, however, the readiness of our public officials to discount the local in favour of the global—their xenophilia, as it were—strikes me as not only naive but dangerous. The other has to do with the current state of affairs—although this comes down to leadership in the end as well. Whatever misapprehensions the decision-makers were under at the time of the social security review, it is clear that their continued use of the rhetoric of disincentives to justify an inequitable but profitable—to them—EI system is no longer even theoretically supportable.

### **Myth #2: Local Control of Labour Markets Produces Better Outcomes**

The next set of developments I want to examine is visible in the legislation only as a possibility envisioned or allowed for. Although the changes involved could be said to have had as much or even more impact on clients as the changes I discussed in the last section, they are not explicitly mandated or spelled out in any detail. In 1996, the federal government offered to turn over to the provinces the responsibility for virtually all front-line employment assistance services. The move came as something of a surprise. While it is true that Ottawa had been making noises about “partnerships” since the early ’90s, and that the Act makes specific reference to joint action, the scope of the proposed divestment went far beyond expectations. In 1994 the most that anyone would say was that the administration was “prepared to consider an expanded role for [the] provinces and the private sector in managing and delivering federal employment development services” (HRDC 1994: 39–40). In 1995, the penny was assumed to have dropped when HRDC announced that it would no longer be directly involved in the purchase or provision of training (HRDC 1995). Despite these early warning signals, however, no-one anticipated the full-scale devolution announced a year later (DiGiacomo). By the end of the decade, every province but Ontario had in place a Labour Market Development Agreement giving it more or less complete control over the so-called “active measures” promised by the new EI Act to help people get back to work, from counseling through skills development to wage subsidies and job creation (Bakvis and Aucoin). Once devolved, most of the client contact services were spun off to private or third sector operators. In Ontario, HRDC remained nominally in charge, but in a radically decentralized form, with responsibility for the interpretation and implementation of policy vested very largely at the regional level. Here too, front-line services were privatized.

Unlike the pared-down income support, the ideological fingerprints on this second set of changes are less easy to detect. For one thing, if the climax seemed somewhat

precipitous, as a general tendency the federal withdrawal was a long time in the making. Certainly the financial pull-out was long-seated. In the early ’70s, the system was jointly funded from premiums and general revenues, with Ottawa picking up the tab for most non-core costs, including income replacement, whenever the jobless rate topped four per cent. Over the subsequent two decades, however, the federal share was steadily decreased until, in 1990, it was announced that EI would henceforth be self-supporting. That the next step was withdrawing direct services can thus hardly be seen as a major departure.

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Adding to this sense of historical inevitability, moreover, is the availability of pragmatic explanations for the more radical recent developments. The withdrawal from training was broadly recognized within the training community itself as a cost-cutting measure, while the 1996 offer was believed by many observers to be an attempt to appease Quebec in the lead-up to the referendum (DiGiacomo).

Despite the plausibility of this pragmatic reading of events, if we look at the rhetoric surrounding this line of development it seems obvious that ideology did play a role. When it appears in policy documents, the idea of partnership is almost inevitably framed in terms of an eminently American-sounding notion of self-responsibility. The authors don’t quite say that it is every man for himself [sic], but they come close: “Society definitely has a responsibility to provide support for people who are in need and who cannot work. But individuals also have a responsibility to help themselves” (HRDC 1994: 12). Formalizing this sentiment, the Act itself (in s.57(1)(e)) spells out a requirement for clients to take “primary responsibility” for designing their own back-to-work strategies and locating the services that will enable them to meet their goals. Obviously this is problematic for the less educated and less sophisticated segment of the population. But leave that aside for now. What I want to draw your attention to is the thinking one can read into this provision—thinking that enshrines the ideal of self-sufficiency, that takes for granted that people are more motivated and have more self-esteem if they are prodded into solving their own problems. *And* that they get better outcomes (HRDC 1995).

The same American-style assumptions underwrite the equally much-touted idea of community involvement. Just as people are better off if they are allowed to take

control of their own lives, the thesis goes, communities are healthier if they are allowed to take control of their own problems. The Act (s.57(1)(c)) talks about designing programs with enough flexibility "to allow significant decisions about implementation to be made at a local level." The policy documents talk about local decision makers being in the best position to gauge local needs and conditions. "The new approach to re-employment calls for dealing with individuals directly in a way that is tailored to particular community circumstances" (HRDC 1995, 4). With language like this, it is clear that the devolution to the provinces is only part of a much bigger trend—a trend predicated not just on pragmatism, or deficit reduction, or federal-provincial politics, but on a specific philosophy of governance.

Again the source is an external one. Since the late '80s the most influential school of thought in the corridors of power has been something called New Public Management (NPM), an American innovation whose main tenet is the eschewal of top-down direction. "Hierarchy, control, and tracking of inputs and outputs are seen as old technology" under the NPM paradigm, says S. L. Sutherland. "The New Public Organization . . . is citizen-centered, people-oriented, collaborative, change-oriented, and decentralized" (20). Sounds like a prescription for old-fashioned New England town-hall democracy, doesn't it? Not exactly "new" thinking! Once the subtext is identified, however, it is easier to see what underlies the notion of local control. For all that it remains largely tacit in the official documents, the vision that permeates the conceptual level of the revamped EI system—the ideal it tacitly promotes in its talk of giving people the tools to get back to work—is of an American-style individualist who both can and wants to take care of himself.

What does this mean for women? You may have noted that I used a male pronoun in that last sentence. The fact is, this is an ideology that works better for men than women at the best of times. Around employment issues, the difference can be cataclysmic. Because of the greater barriers they face, women are far more dependent than men on government intervention in the "free" operation of the labour market, whether directly through affirmative action and equity programs or indirectly through services and support for the unemployed. Even in the abstract, then, one can see the direction as having gender-specific implications. But abstractions are only the least of it. As with the changes discussed in the last section, there is hard evidence that the theory simply hasn't worked in this country. Whatever the case in the U.S., the downloading of employment services in Canada has had concrete, demonstrable, negative consequences that have impacted particularly on disadvantaged subgroups. How? Not to put too fine a point on it, downloading has turned the system into a chaotic jungle in which only the fittest thrive.

If that sounds overly dramatic, the facts say otherwise.

While space won't allow me to go into details, a field study of employment service providers in the Toronto area carried out in the summer of 2001 turned up eye-opening evidence of dysfunction (McGregor 2002a). Even leaving aside some serious problems of personalism that have emerged in the absence of top-down control (see footnote 2, below), about the only thing this regime seems to be good at is pinching pennies. Programming is fragmented, irrational, and often inappropriate. Communication is poor. Service levels and quality vary widely across the region. Most worrying for present purposes, it is the high-needs clients who seem to be suffering the most. Because of tight budgets, competitive contracting, and draconian quotas based entirely on quantitative criteria—x clients served, x programs completed, x job placements within x months—agencies are forced to concentrate their resources on the best prospects. This process—known as "creaming"—leads almost inevitably to less employable applicants, like the low skilled and the doubly disadvantaged and the 55-year-olds, falling through the cracks (Standing Committee on HRD 1999).

Longer-term observers say much the same thing. "There are reports of an emerging chaos as each office becomes its own fiefdom, beholden to no one except perhaps the local MP, MPP/MLA or private sector 'partner'," complains a late-'90s CAW discussion paper (CAW/TCA 6). Indeed, even the government's own people join the chorus. According to a 1999 HRDC internal report, a clear majority of employees reported frustration about declining resources and inadequate planning. More to the point, they link these problems specifically with decentralization. "Most (86 per cent) believed that a disconnect exists between those who develop policy and those who deliver services to clients. When discussed during group sessions, employees expressed frustration over the current approach to policy development." (2).

None of this should surprise us, of course. You can't change public values by fiat. Much as the new populists like to paint Canadians as the victims of elite venality, every indicator of communal opinion from cultural production to survey research suggests that Canada's statist traditions represent the preferences of the population (Graves 1994-96, 2001). Canadians don't care that much about tax cuts, *do* want an activist government, and trust public servants more than their democratically elected leaders. Even if values weren't a problem, moreover, it's an axiom that you can't rebuild Rome in a day. The speed as well as the direction of the change that has been imposed on the EI system over the past decade was almost guaranteed to undermine administrative effectiveness. First, cost-cutting stripped the department of personnel and resources. Second, downloading increased administrative complexity and introduced a whole raft of new unknowns into the equation. Third, and arguably most damaging, New Public Management reforms disrupted traditional lines of communication and authority. As Sutherland

puts it, when the government adopted the decentralizing agenda of the Right—"cutbacks, deregulation, privatization, devolution, and removal of procedural controls"—it necessarily introduced "an informal, *ad hoc* character to the administration of social programs" (10). Exacerbating matters, there was nothing in the experience or training of the frontline bureaucrats to prepare them to function in such an environment.<sup>3</sup> Given these circumstances, it would be surprising if the system *did* run effectively. As in the last section, the only mystery is why our political leadership thought that it would.

The Green Paper is not an anomaly. Although it is not articulated in any one place in any detailed fashion, what emerges clearly between the lines of the official pronouncements is that this government is infatuated with high tech. Nowhere is this more evident than in the EI realm. "Success in a global, knowledge-based economy is a central priority for Canada" (36), trumpets HRDC's 2000-2001 *Report on Plans and Priorities*. Towards this end, it continues, the department is working with other government bodies and the private sector to develop new and improved information products, to provide single-

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**Myth #3: Technology is the Key to Jobs**

The last thing I want to look at is not only not explicit; it is probably not even conscious. The push for EI reform was driven very substantially by a rhetoric of global competitiveness (HRDC 1994). A key element in this narrative was the idea that, in order to hold its own on the expanded playing field, Canada needed a better-educated, more highly skilled workforce. Although the connections are never made clear, there is an implication in many of these disquisitions that better qualified workers will actually produce more and better jobs. Following on this unarticulated linkage, if there is one theme that is hammered even more consistently in the literature than the notion of disincentives, it is the idea that the ultimate solution to unemployment—and, by extension, to the country's economic woes—is skills development. Lloyd Axworthy's 1994 Green Paper, *Improving Social Security in Canada*, puts the tenet front and center: "A center-piece of improving employment prospects is helping people to gain and sharpen the up-to-date skills needed to succeed in today's job market" (9-10). So far there is nothing in this line of talk that seems particularly surprising. One does not need statistics to draw a correlation between education and employability. What is somewhat more noteworthy, however, is the gloss that is given to that phrase "today's job market." The paragraph continues: "In [this new] world, computer-literate automobile diagnosticians are replacing car mechanics. Skilled technicians are watching over the robotic machinery performing the work production-line employees and clerical workers used to do" (10). It is clear from such off-handed comments that what the government is thinking of when it talks about skills is one particular category of skills—skills related to new and particularly computer technology.

window access to online information, to find better ways to link relevant databases and websites, and, of course, to get all its own services on line. I won't even get into the issue of what this electronicization of services means for Canadians with low education or language or literacy problems. (Think digital divide with official sanction.) What is important for the present topic is the fact that the prioritization of high tech also carries over into the specifics of employment assistance programming. Rhetoric notwithstanding, one thing our 2001 field study revealed was that, in an age of cost-cutting, it is actually very difficult for EI clients to get approved for any real training.<sup>4</sup> The exception is in the area of computer skills. Knowing how to use a computer is now considered as essential for job-hunting as learning to write a resume. Short courses in computer basics have thus become part of the standard repertoire at HRD-funded resource centres. There is some evidence that computer courses are also most likely to get approvals for advanced training. What is wrong with this? For one thing, the hardware costs alone are eating up a huge slice of agency budgets. For another, it stimulates a lot of false hopes and dead-end job searches. Giving a smattering of computer skills to someone without other education or experience is unlikely to make much difference to his or her employability (McGregor 2002a). For a third, it adds to and exacerbates women's already entrenched disadvantage.

Let me review just a little of what we know about women and technology. Far fewer women are employed in high tech areas than men. In the few occupational categories where they have a substantial presence, moreover, they tend to cluster at the lowest levels of the hierarchy (Ranson and Reeves; Colclough and Tolbert). The reasons for this are both real and illusory. Women are not only reputed to have less facility with and interest in

technology than men, but research reveals that the stereotype has a solid basis in reality. Women use computers just as much as men (Lowe), but men like them more and use them on a higher level (Whitley; Thiessen and Nickerson). That this is a conditioned rather than a biological difference may be inferred from the fact that it does not appear until high school (Whitley; Thiessen and Nickerson). Whatever the cause, however, the fact is that women are underrepresented in tech-related academic disciplines (TailloN and Paju) and are also less likely to get tech-related on-the-job training (Thiessen and Nickerson;

high-skilled employment over the period would have been minimal (Lavoie and Roy). Equally provocative is the fact that job losses seem not to have been unduly related to technology either (Chan, Marshall and Marshall). Most jobs lost in the last decade were in the goods sector, and although some no doubt involved the computerization of workplaces, many more can be attributed to the overall shift in market share from manufacturing to service industries. Adding a final irony to the picture is the fact that most Canadian businesses have not yet found a way to profit from the much-touted technological change; growth

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**If we want to protect women's interests, it is obviously important to keep delineating instances of disadvantage and discrimination. It is equally important to keep making principled arguments against anti-woman ideology.**

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Stephen). The lack of "real" skills in turn reinforces the stereotype that is at least partly responsible for the lack of skills. What does this mean for the EI system? If technology is indeed the key to good jobs, then women should be provided with more resources and longer benefit durations in order to repair their deficits. If technology is *not* the key to good jobs, than the current emphasis of the programming is discriminatory without good reason. Counter popular perceptions, the evidence suggests that it is the second alternative that applies.

Let's go back to the notion that technology has transformed the labour market. According to the standard version of this story, as the economy shifts increasingly towards knowledge-based occupations, there is an increasing demand for high-skilled relative to low-skilled workers. If one looks at the academic commentary on the subject, however, including by the government's own analysts, neither of the base assumptions underlying this formulation—the shift *or* the demand—seems to be borne out by the facts. Like the other myths that we have been looking at, this one was borrowed from the U.S.—and does not quite fit.

The first thing one might note is that the so-called transformation is nowhere near as great or as complete in this country as is popularly assumed. While it is clear from the figures that knowledge-occupations account for the fastest growing job categories right now, the sector as a whole, as Marie Lavoie and Richard Roy point out, is still relatively small. In 1996, such occupations accounted for only 8.5 per cent of Canadian jobs, and of these, more than half were not in technology but in the social sciences and humanities. Pure science jobs have not increased as one might expect. Many new technology jobs, moreover, are not particularly high-skilled (Smith). If it were not for computer science and management, in fact, the growth in

in productivity has not even kept up with growth in employment (Lavoie and Roy).

If technology has had less effect on the economy than is generally assumed, it has also been less important to the employment picture. There is little evidence, in fact, that technological advances have affected the Canadian labour market much at all, whether negatively or positively. Timothy Sargent points out that there has been little change in the ten most common occupations for either gender in the last two decades, and employment rates by occupation have also remained relatively stable. What change there *has* been, moreover, has been in the wrong direction. One clearly significant indicator, says Sargent, is the fact that in Canada, in contrast to the U.S., there has actually been a *downward* trend in the proportion of white collar workers in the labour force in recent years—exactly the opposite of what one would expect if there were an increase in skill-based technological change. Other sources confirm Sargent's findings. In a paper entitled *The Changing Skill Structure of Employment in Canada*, a group of researchers from HRDC's Strategic Policy Branch finds no evidence of a skills gap (Massé, Roy and Gingras). Except for those in the very lowest educational decile (Boothby and Gingras), low-skilled workers are still getting jobs, and high-skilled workers are still in good supply (Picot and Heisz). Unlike the situation in the U.S., moreover, there has been no radical increase in earning inequality between the two groups.

None of this means, of course, that technology does not play a role in the construction of unemployment. As long as employers *think* that it is important, it is going to affect their recruitment and retention strategies (Underhill, Marshall and Delicourt 1997a, 1997b). It is notable that the two groups of low-skilled workers which *are* suffering significant job loss are youngest women (Thiessen

and Nickerson) and older workers in general (Massé, Roy and Gingras). Common sense suggests that this effect relates at least in part to the fact that women and old people are both perceived as technology deficient. To be old *and* a woman is to be doubly stigmatized. No wonder so many of the cohort fall out of the labour force. The more tech skills are played up as a key measure of employee value, the more this effect is going to amplify. Once again then, the government's uncritical assumption that American ideas, American values, and American experience are portable has led to an unnecessary and unrecompensed detriment for women.

### Lessons to Be Drawn

This brings me to the cautionary tale I mentioned back at the beginning of this article—though the “moral” may not be exactly what one might suppose. For anyone concerned about women and work, the practical ramifications of my findings in these areas should be self-evident. Notwithstanding, it is not the practical ramifications that primarily concern me here. My purpose in writing this paper was not just to add a few more pieces of evidence for what we already know, that the policy choices of the last decade have been disadvantageous for women. I am not even all that concerned with underlining the American connection—most of us already know that too. What I am really trying to highlight with these examples is something much less widely recognized, that the “facts” by which recent policy choices are commonly justified are location-specific—and the location from which they are derived is rarely Canada.

To what extent is the government cognizant of this? Certainly they are aware by now that the disincentives theory does not hold water, so to the extent that the rhetoric of dependency is still being recycled one has to infer at least some degree of conscious duplicity. The downloading issue is somewhat more complicated. From what we saw during our 2001 fieldwork, I am not at all sure that Ottawa has any inkling of the mess they have created on the front lines. One of the main *causes* of dysfunction in the Toronto employment services system, it seemed to us, was precisely the fact that no-one at national headquarters was paying any attention. Part of the reason for this, undoubtedly, is the extent to which public attention in recent years has been focused on “big” issues like job creation scandals and improper accounting practices (Sutherland 2001). HRDC has been so busy fighting fires on this level that they don't have time to think about less visible problems like high-needs clients falling between the cracks. If anything, recent crises have insulated the local offices even more by focusing the monitoring process almost entirely on hard indicators like dollars and numbers. It is notable, as I said before, that the department's own employees complain about a disconnect between top and bottom (HRDC 1999). If the gap

is really as complete as they imply—and certainly our own observations supported this—then it is quite possible that senior officials in HRDC really believe the party line about how much more effective it is to let communities design their own programming. As for technology, the folk wisdom on this subject is by now so pervasive that I doubt it occurs to anyone to question the assumptions.

It's exactly that not-occurring that I'm trying to shake here. If we want to protect women's interests, it is obviously important to keep delineating instances of disadvantage and discrimination. It is equally important to keep making principled arguments against anti-woman ideology. There are benefits, however, to fighting myths like the ones I have been discussing here in their own terms. At least part of the reason this thinking has made headway is that it seems to be firmly entrenched in reality. What better way to counter the Right's appeals to “hard business sense” than by showing that the ideas they are pushing are neither hard *nor* sensible. It is worth noting in this respect that while the unemployment gap with the U.S. hasn't changed appreciably, nor the gap in living standards, the poverty gap *has*—in the wrong direction. The low income rates in some provinces are now actually higher than they are in some states. It is also worth noting that this effect can be directly linked with the decrease in transfer payments, especially unemployment insurance, which plays a much bigger role in the social security system in Canada than in most European countries. Pretty dumb not to foresee this, right? Here, of course, is the other advantage of this approach. From a public relations standpoint, there's a lot to be gained by painting the government not as callous or elitist or in bed with big business—Canadians have always preferred competent villains to well-intentioned amateurs for their leaders (McGregor 1985: 263ff.)—but simply as naïve.

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<sup>1</sup>A shorter version of this paper was presented at the May 2000 meetings of the Canadian Sociology and Anthropology Association under the title “Making a Bad Situation Worse: Women and Work on the New Global Playing Field.” The discussion of recent developments in labour market policy draws on a study of systemic age discrimination in the employment insurance system funded in 2000-2001 by the Law Commission of Canada. Additional funding for the section on technology was provided by the Social Science and Humanities Research Council. Details of unreferenced statistical trends notated in the following pages may be found in a Fact Sheet produced in connection with the Law Commission project which is available on the Law Commission website (McGregor 2002b). Details about the background to, and the shortcomings of, the mid-'90s social security reform initiative

may be found in an offshoot article on age-discriminatory elements in the *Employment Insurance Act* (McGregor 2003).

<sup>2</sup>Some readers may object to my characterization of the trends I am looking at in this paper as “American” when in reality they are so widespread as to be attributes of western societies generally. To my mind, this notion of placelessness is just another facet of the myth of globalization. While it is true that variants of neoliberal ideology may now be found in many other countries besides the United States, the obsession with self-sufficiency, minimalist government, and grassroots problem-solving—the aspect on which I focus here—derives specifically from our neighbour’s rather peculiar brand of anti-statist democracy, which has been naturalized throughout the world through the vehicle of American pop culture. Adding to the unidirectionality of the flow of ideas, moreover, is the ongoing Americanization of Canadian academia, and the fact that our social scientists increasingly treat American models and data as interchangeable with our own. Certainly this is true of most of the economists who advised the architects of the mid-’90s social security reform

<sup>3</sup>Supporting my contention that Canadian public servants are ill-suited—whether by training or temperament—to exercise this kind of power is the way officials in Toronto have approached the task of contracting out formerly in-house services. One problem right off the bat is the fact that the instruments formalizing these agreements are not called contracts—by some bizarre (and arguably illegal; see McGregor 2002a, III-36) twist of bureaucratic logic they are classified as “contributions.” This has been taken to mean that the contracting regulations laid out under the *Financial Administration Act* do not apply. Instead, each local office handles things as it sees fit. Four problems in particular emerged in the course of our investigation. First, there is no agreed-upon tendering process. Sometimes there is an official Call for Proposals; sometimes competitions are publicized by word of mouth; but in many cases contracts are simply awarded to previously known candidates, often friends or former colleagues of the local management, or candidates who just happen to be in the right spot at the right time. Second—with implications that can be amply inferred from that last sentence—there are no safeguards against personalism. Third, administrative procedures are ad hoc, inconsistent, and often draconian. And fourth, there is no formal recourse for abuses. We were struck in this respect by how nervous agency personnel were about talking to our research team. Most flatly refused to participate unless they were promised absolute confidentiality. A few openly suggested that criticizing the department or stepping on official toes was a sure recipe for losing their funding.

<sup>4</sup>It may give a sense of just *how* difficult if we note that between 1995 and 1998 total federal expenditures on training declined as a proportion of the overall budget

from 83 per cent to 28 per cent, and the funds spent on “long-term interventions”—which would include virtually all significant re-education initiatives—were reduced by 37.65 per cent (Stephen).

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