

RESOLUTION 2006/3

ACCESS TO EMPLOYMENT INSURANCE (EI) BENEFITS FOR BUSINESS OWNING AND SELF-EMPLOYED WOMEN **by BPW Saskatoon and BPW Montreal**

WHEREAS BPW Canada has, from time to time, proposed amendments to specific sections of the Employment Insurance (EI) Act;

AND WHEREAS in the first five years of EI, from 1996 to 2001, the gap in insurance protection between men and women more than doubled. Specifically, coverage for men fell from 45% in 1996 (when the Employment Insurance Act replaced the previous Unemployment Insurance Act) to 44% in 2001, while coverage for women over the same period fell from 39% to 33%;

AND WHEREAS women who are self-employed or who own 40% or more of a business are not eligible to pay into the Employment Insurance Fund and therefore, cannot access EI benefits such as maternity and parental leave or the Compassionate Leave for Caregivers;

AND WHEREAS, over the past decade, women have launched businesses in Canada at a rate twice that of men. Between 1981 and 2001, the number of women entrepreneurs in Canada increased by 208%, compared with a 38% increase for men, and there are now 821,000 women entrepreneurs in Canada¹;

AND WHEREAS many women entrepreneurs are opting to either delay having or adopting children, or are not having children at all, because they cannot afford to do so without remuneration²;

AND WHEREAS the Prime Minister's Task Force on Women Entrepreneurs identified this situation as a major challenge for women entrepreneurs, and recommended that the Government of Canada find a way to allow them to contribute to the EI fund, in order to be able to collect such benefits;

AND WHEREAS there is a precedent for extending Employment Insurance benefits to women entrepreneurs since self-employed fishers can pay into the EI Fund, and can therefore access EI maternity/parental benefits when they or their partner have a child;

THEREFORE BE IT RESOLVED that BPW Canada strongly urges the Government of Canada to amend the Employment Insurance Act to correct inequities with respect to people who are business owners and/or self-employed, by giving them the option to participate in the Employment Insurance (EI) program, thus allowing them access to maternity and parental leave and the Compassionate Leave for Caregivers.

¹ *Prime Minister's Task Force on Women Entrepreneurs: Report and Recommendations*, 2003.

² Former MP Karen Redman's speech to BPW members at Annual General Meeting in Hamilton, Ontario, August 2005.

BACKGROUND

ACCESS TO EMPLOYMENT INSURANCE (EI) BENEFITS FOR BUSINESS OWNING AND SELF-EMPLOYED WOMEN (2006/3)

According to Statistics Canada, small business is the fastest growing segment of the business sector in Canada, and within this sector, the growth of women-owned businesses is the fastest growing, with women launching businesses in Canada over the past decade at a rate twice that of men.

The growth in the number of women-owned businesses has been phenomenal (statistics are given above). Yet, challenges remain. Women who are self-employed or own 40% or more of a business do not have the option of contributing to the Employment Insurance Fund, and therefore cannot access EI benefits such as maternity and parental leave. (On the other hand, they ARE required to contribute to the Canada Pension Plan Fund.)

Ironically, many women entrepreneurs DO contribute to the EI Fund on behalf of their employees who then have access to such benefits while they do not.

Women entrepreneurs are a major economic force in this country, creating jobs and contributing to economic growth. The Government of Canada needs to recognize the contribution of women who own their own businesses, and find a way to rectify this inequity.

Traditionally, women have made progress and been able to make economic gains due to higher education levels, increased labour force participation, and public policy and legislation supporting women at work such as pay equity and maternity leave. This inequity in the EI Act is not only unjust and unfair but also serves as a major disincentive for women to start their own businesses.

According to the Organization for Economic Cooperation and Development (OECD), women in Canada make up a larger share of the self-employed than in any other country. As a result, there are a growing number of women who fall outside the scope of public policy and legislation that has improved the working lives of women and their economic status.

These women often have no protection against loss of income when they temporarily "step out" of the work force for a variety of reasons including having and/or adopting children or caring for elderly relatives. As the President of the Canadian Association of Women Executives and Entrepreneurs said recently:

"There needs to be review of legislation for all social safety net programs, including EI and the Canada Pension Plan. They discriminate against women, particularly if a woman entrepreneur wants to have a child, she has to go back to work immediately, and she does not have access to EI coverage for a maternity leave. We are suggesting that the federal government extend Employment Insurance benefits to women entrepreneurs, because there is a precedent. Fisherwomen can now apply for Employment Insurance when they are pregnant."³

³ O'Brien, Stacy. Business, babies and breaking barriers. *CapitalNewsonline*. Vol. 13. No 4, November 14, 2003. Available at <http://temagami.carleton.ca/jmc/cnews/14112003/n5.shtml>. Accessed March 15, 2006.

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Sources:

Former MP Karen Redman's speech to BPW members, BPW Annual General Meeting, Hamilton, Ontario, 2005.

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