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PERSPECTIVES
ON SOCIAL
INCLUSION

Does Work Include Children?

The Effects of the Labour Market on Family
Income, Time and Stress

Andrew Jackson
Katherine Scott



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About the Laidlaw Foundation

The Laidlaw Foundation is a private, public-interest foundation that uses its human and financial resources in innovative ways to strengthen civic engagement and social cohesion. The Foundation uses its capital to better the environments and fulfill the capacities of children and youth, to enhance the opportunities for human development and creativity and to sustain healthy communities and ecosystems.

The Foundation supports a diverse portfolio of innovative and often unconventional projects in three program areas: in the arts, in the environment and improving the life prospects for children, youth and families.

Working for social inclusion is a theme that underlies much of the Foundation's activities. The key words in the Foundation's mission — human development, sustainable communities and ecosystems — imply that achievement will rely on the enhancement of capacity and capability. Not only is social inclusion being developed as an emerging funding stream, it is an embedded Laidlaw Foundation value, both structurally and programmatically.

Nathan Gilbert
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Foreword:

The Laidlaw Foundation's Perspective on Social Inclusion

The context for social inclusion

Children have risen to the top of government agendas at various times over the past decade, only to fall again whenever there is an economic downturn, a budget deficit, a federal-provincial relations crisis or, most recently, a concern over terrorism and national security. While there have been important achievements in public policy in the past 5 to 10 years, there has not been a sustained government commitment to children nor a significant improvement in the well-being of children and families. In fact, in many areas, children and families have lost ground and social exclusion is emerging as a major issue in Canada. Examples abound and include these facts.

- the over-representation of racial minority families and children among those living in poverty in large cities, and the denial of access to many services by immigrant and refugee families;
- the 43% increase in the number of children in poverty in Canada since 1989, the 130% increase in the number of children in homeless shelters in Toronto, as well as the persistence of one of the highest youth incarceration rates among Commonwealth countries;
- the exclusion of children with disabilities from public policy frameworks (e.g. the National Children's Agenda), from definitions of 'healthy' child development and, all too often, from community life.

These situations provide the context for the Laidlaw Foundation's interest in social inclusion. The Foundation's Children's Agenda program first began exploring social inclusion in 2000 as a way to re-focus child and family policy by:

- re-framing the debate about poverty, vulnerability and the well-being of children in order to highlight the social dimensions of poverty (i.e. the inability to participate fully in the community)
- linking poverty and economic vulnerability with other sources of exclusion such as racism, disability, rejection of difference and historic oppression
- finding common ground among those concerned about the well-being of families with children to help generate greater public and political will to act.

The Foundation commissioned a series of working papers to examine social inclusion from a number of perspectives. Although the authors approach the topic from different starting points and emphasize different aspects of exclusion and inclusion, there are important common threads and conclusions. The working papers draw attention to the new realities and new understandings that must be brought to bear on the development of social policy and the creation of a just and healthy society.

These are:

- Whether the source of exclusion is poverty, racism, fear of differences or lack of political clout, the consequences are the same: a lack of recognition and acceptance; powerlessness and 'voicelessness'; economic vulnerability; and, diminished life experiences and limited life prospects. For society as a whole, the social exclusion of individuals and groups can become a major threat to social cohesion and economic prosperity.
 - A rights-based approach is inadequate to address the personal and systemic exclusions experienced by children and adults. People with disabilities are leading the way in calling for approaches based on social inclusion and valued recognition to deliver what human rights claims alone cannot.
 - Diversity and difference, whether on the basis of race, disability, religion, culture or gender, must be recognized and valued.
- The 'one size fits all approach' is no longer acceptable and has never been effective in advancing the well-being of children and families.
- Public policy must be more closely linked to the lived experiences of children and families, both in terms of the actual programs and in terms of the process for arriving at those policies and programs. This is one of the reasons for the growing focus on cities and communities, as places where inclusion and exclusion happen.
 - Universal programs and policies that serve all children and families generally provide a stronger foundation for improving well-being than residual, targeted or segregated approaches. The research and anecdotal evidence for this claim is mounting from the education, child development and population health sectors.

Understanding social inclusion

Social exclusion emerged as an important policy concept in Europe in the 1980s in response to the growing social divides that resulted from new labour market conditions and the inadequacy of existing social welfare provisions to meet the changing needs of more diverse populations. Social inclusion is not, however, just a response to exclusion.

Although many of the working papers use social exclusion as the starting point for their discussions, they share with us the view that social inclusion has value on its own as both a process and a goal. Social inclusion is about making sure that all children and adults are able to participate as valued, respected and

contributing members of society. It is, therefore, a normative (value based) concept - a way of raising the bar and understanding where we want to be and how to get there.

Social inclusion reflects a proactive, human development approach to social well-being that calls for more than the removal of barriers or risks. It requires investments and action to bring about the conditions for inclusion, as the population health and international human development movements have taught us.

Recognizing the importance of difference and diversity has become central to new under-

standings of identity at both a national and community level. Social inclusion goes one step further: it calls for a validation and recognition of diversity as well as a recognition of the commonality of lived experiences and the shared aspirations among people, particularly evident among families with children.

This strongly suggests that social inclusion extends beyond bringing the ‘outsiders’ in, or notions of the periphery versus the centre. It is about closing physical, social and economic distances separating people, rather than only about eliminating boundaries or barriers between *us* and *them*.

The cornerstones of social inclusion

The working papers process revealed that social inclusion is a complex and challenging concept that cannot be reduced to only one dimension or meaning. The working papers, together with several other initiatives the Foundation sponsored as part of its exploration of social inclusion, have helped us to identify five critical dimensions, or cornerstones, of social inclusion:

Valued recognition – Conferring recognition and respect on individuals and groups. This includes recognizing the differences in children’s development and, therefore, not equating disability with pathology; supporting community schools that are sensitive to cultural and gender differences; and extending the notion to recognizing common worth through universal programs such as health care.

Human development – Nurturing the talents, skills, capacities and choices of children and adults to live a life they value and to make a contribution both they and others find worthwhile. Examples include: learning and developmental opportunities for all children and adults; community child care and recreation programs for children that are growth-promoting and challenging rather than merely custodial.

Involvement and engagement – Having the right and the necessary support to make/be involved in decisions affecting oneself, family and community, and to be engaged in community life. Examples include: youth engagement and control of services for youth; parental input into school curriculum or placement decisions affecting their child; citizen engagement in municipal policy decisions; and political participation.

Proximity – Sharing physical and social spaces to provide opportunities for interactions, if desired, and to reduce social distances between people. This includes shared public spaces such as parks and libraries; mixed income neighbourhoods and housing; and integrated schools and classrooms.

Material well being – Having the material resources to allow children and their parents to participate fully in community life. This includes being safely and securely housed and having an adequate income.

Next steps: Building inclusive cities and communities

Over the next three years, the Children's Agenda program of the Laidlaw Foundation will focus on *Building inclusive cities and communities*. The importance of cities and communities is becoming increasingly recognized because the well-being of children and families is closely tied to where they live, the quality of their neighbourhoods and cities, and the 'social commons' where people interact and share experiences.

Christa Freiler
Children's Agenda Program Coordinator
Laidlaw Foundation

The Laidlaw Foundation's vision of a socially inclusive society is grounded in an international movement that aims to advance the well-being of people by improving the health of cities and communities. Realizing this vision is a long-term project to ensure that all members of society participate as equally valued and respected citizens. It is an agenda based on the premise that for our society to be just, healthy and secure, it requires the inclusion of all.

Paul Zarnke
Chair, Children's Agenda Advisory Committee
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Does Work Include Children?

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The Effects of the Labour Market on Family Income, Time and Stress

Introduction:

Labour Markets and the Social Inclusion and Exclusion of Children

In the 1990s, there has been an explosion of scholarly, political and policy interest in the twin concepts of social inclusion and exclusion. This interest is propelled by the desire to understand the ways in which individuals, families or groups engage in the social, economic and political lives of their communities, or are set apart, and how these processes affect individuals, families and society as a whole – in the present and over the long term. The concept of social inclusion offers a new vantage point from which to unpack the complexities of healthy child development; it holds out the hope of bridging disciplinary boundaries and broadening the debate about the determinants of child well-being beyond key concerns such as poverty or income inequality. It highlights the connection between equality of opportunity and the life chances of all children. That said, much remains to be done to flesh out the concept of social inclusion and to operationalize its key dimensions.

The goal of this paper is to explore the impact of parents' labour market experiences on healthy child development. Social inclusion provides a useful and novel conceptual framework for the task. Our basic argument is that the conditions for the social inclusion or exclusion of children are determined in large part by the labour force experiences of parents. We argue that the linkages cannot simply be reduced to the level of household income, albeit

critically important in fostering healthy child development. Rather, a social inclusion framework points to a number of other ways in which parental labour market experiences affect the ability of children to develop their talents and capacities to the full. We see the key linkages as income, time and stress.

The concepts of social inclusion and exclusion in relation to children are developed in Parts 1 and 2. Part 3 describes the experience of parents who are excluded from the labour market or are precariously employed, and their access to the financial resources necessary to care for, and nurture, their children. Part 4 looks at long working hours and implications for raising children, while Part 5 examines the implications of stress arising from unemployment and work/family conflict for children. Part 6 draws out some implications for research and policy.

I. Social Inclusion: Capabilities and Capacities

Amaritya Sen's international work on human development provides a useful point of departure for our discussion of social inclusion and exclusion. He makes the critical link between inclusion and the development of capacities and capabilities (Sen 1992; Sen 2000). He defines the purpose of development as the expansion of substantive freedoms or 'capabilities' ranging from the most elementary (such as freedom from hunger and disease), to freedom from insecurity, to "the freedom to choose a life one has reason to value" (Sen 2000: 74). Important capabilities include active participation in the life of the community and gaining the self-respect which comes from recognition by the community. From this perspective, an inclusive society is one where all individuals are allowed to exercise the choice to develop their talents and capacities to the full, to exercise the full rights of citizenship (Room 1995). Conversely, exclusion arises when a society fails to create the set of circumstances necessary for the full development of individuals.

A "social inclusion/exclusion approach" has an obvious appeal in a study of labour markets. And indeed, the concept of social exclusion first gained popular usage in France to precisely describe the process of marginalization of the unemployed and those not protected through existing employment-based income supports. Other countries, notably Britain and Scotland, have embraced the concept of social exclusion to coordinate policy responses to a host of new social problems related to whole-scale changes in the economy, notably, long-term unemployment and poverty, ghettoization, changing family structures and growing social problems among young people. Social exclusion provides a framework for understanding the emergence of a new larger group of unemployed, including those expelled from tradition-

al sectors of the economy as well as new entrants unable to break into the labour market. From this perspective, exclusion is understood as a dynamic process through which individuals and groups are denied basic civil, political and social rights – one of the most basic being the opportunity to attain a basic standard of living through participation in the labour market, and the valued recognition attached to the status of "worker."

The concept of social exclusion is a powerful lens for understanding the complex processes of social, economic and political marginalization. While some argue that there is nothing new about social and economic inequality in capitalist societies, Sen's concept of capabilities – and by extension social inclusion/exclusion – does provide a new vantage point from which to refocus attention on ensuring that all citizens enjoy the rights of citizenship (for further elaboration and references, see Jackson 2000a). In particular, as we argue in this paper, it provides a new framework for bringing children into the analysis by:

- identifying children as a focus of analysis;
- recognizing diverse sources of disadvantage;
- focusing on the distribution of child outcomes over the population;
- drawing attention to change over time;
- incorporating the idea of "social distance"; and
- recognizing the key role of the state in creating the conditions for all children to realize their potential.

Identifying children as a subject of study

Implicit in Sen's definition of development is the understanding that individuals all develop in unique ways. Sen argues that all citizens should have the right – the capability – to be healthy, well-fed, housed, integrated into the community, participate in community and public life, and enjoy the bases of self-respect. This does not mean that all citizens will necessarily strive for or achieve the same outcomes, but that all citizens should have 'equal freedoms' to enjoy community life, to be included. Social inclusion in this framework, then, embraces the notion of diversity.

The concept of diversity is particularly important in an exploration of the complexities of healthy child development. First and foremost, it recognizes children as a unique, rights-bearing group – a group that is dependent upon others, both individually and collectively – to thrive and survive. This proposition is very important as children are grafted onto studies of the family, the economy and so forth. In part, this impasse is the result of the special position children hold as a dependent group; children are included or excluded depending upon the circumstances of the families in which they live relative to others. Yet, social inclusion/exclusion is not simply 'transmitted' from households to children. Applying a social inclusion framework to children demands further consideration of their unique and distinctive developmental trajectories, taking into account key environmental factors such as parental labour market status (see, Phipps 2000).

Recognizing diverse sources of disadvantage

A social inclusion/exclusion framework also provides a way of incorporating diverse, and potentially overlapping, sources of disadvantage that have an impact on children over their lives. Building upon the rich body of research on

poverty and income inequality, the concepts of inclusion and exclusion expand the discussion to embrace varied relations of power and processes of marginalization based on other social, economic and political factors. This is not to say that low income is not critically important; income is a central means of access to many sources of well-being in a market society such as Canada and is critical to an analysis of parental labour market experience. But other sources of disadvantage work in conjunction with income in shaping the life chances of children.

Taking up the question of income, it is not simply the level of income that is important to consider in assessing the inclusion or exclusion of children, but rather how income works through many outcomes – be it housing, recreational opportunities, or the safety of neighbourhoods. Relative low income in a rich society means that children will likely (though not always) be able to meet very basic consumption needs, but be excluded from some forms of consumption readily available to others. The combination of lower total income and a heavier 'tilt' of spending to necessities means, for example, that less affluent families with children spend far less on many 'discretionary' but developmentally important items, including reading and educational materials and recreation. These sorts of differences have implications in terms of child health and learning gains which are important to the healthy development of children in the present and over the long term. The central if obvious point is that income is a key proxy for a host of consumption and investment differences among children.

Yet, it is also obvious that income is not the only source of disadvantage that has an impact on children. Klasen identifies at least four sources of disadvantage that may lead to social exclusion as a consequence (Klasen 1999: 5-9). Economic disadvantage – including low

income and unemployment – is the source of exclusion that we are focusing on in this paper. In addition, there are social bases of exclusion related to family and neighbourhood that can stigmatize children, as well as disadvantages related to birth and background, including disability and political and societal prejudices against various racial or ethnic groups. These sources of exclusion may stem directly from the disadvantage or stem from public and private policies that “turn an existing disadvantage into a form of social exclusion” (Klasen 1999: 5). These barriers can work singly or in combination to hinder children’s healthy development, thus thwarting their life chances over the long term. Mutually reinforcing, uncorrected sources of disadvantage are the source of exclusion of children.

Focusing on the distribution of child outcomes over the population

There are other conceptual dimensions of social inclusion and exclusion that are key to understanding the complexities of healthy child development. Inclusion – and conversely, exclusion – are relative concepts. A person can only be included or excluded from a particular society at a particular point in time (See Atkinson 1998). While poverty is often defined in absolute terms as falling below a certain consumption standard, from an inclusion/exclusion perspective a person is either close to or distant from the social norm, and attention is directed at inequities in the overall distribution of income. An inclusion/exclusion perspective is thus related to, though broader than, relative concepts of income poverty.

The idea of inclusion and exclusion as a relative concept is important because it draws attention to the range of experiences and outcomes among children. From this perspective, we would want to consider not just average levels of development such as the proportion of

children meeting or exceeding their learning goals, but also the distribution of outcomes. For example, the spread of literacy scores among children of different socio-economic backgrounds is a measure of the genuine equality of opportunity among children in a given society.

It is obviously important to know whether poor children are more likely, for example, to have poor literacy skills. But an emerging literature of central importance to the inclusion/exclusion perspective suggests that, for a number of key dimensions of child well-being, it is more important to understand the negative linkage from relative income (and socio-economic circumstances) across the population as a whole to poorer outcomes. Aside from the linkage from low income which runs through deprivation, unmet needs and higher risks, we know that there is a linkage which runs through inequality across the entire spectrum of incomes. For example, Health Canada reports that “at each rung up the income ladder,” Canadians have less sickness, longer life expectancies and improved health (Health Canada 1999: ix). It is not just that middle-income Canadians are in better health than low-income Canadians; higher-income Canadians are in better health than those in the middle (Lavis and Stoddart 1999).

Mortality and morbidity rates among children have been shown to rise steadily from the bottom to the top quintile, defined by family income and by neighbourhood income, and the differences between the bottom, middle and top are far from trivial. Wilkins finds that the infant mortality rate and the incidence of low birth weight steadily fall as neighbourhood income rises (Wilkins 1999). Poor health in early childhood is, in turn, highly likely to continue into adulthood and is closely linked to reduced capabilities and life chances. Linkages from parental socio-economic status to the future life chances of children are also evident

across a range of other child outcomes. Ross and Roberts show that there is a generally downward-sloping gradient when household income is linked to a very wide range of child outcomes measured in the National Longitudinal Survey of Children and Youth (NLSCY) such as child health, vocabulary development of children four to five years old, low math scores of children four to eleven years old, and levels of reading for pleasure. Lower household income is linked to poorer capabilities outcomes, with the effect levelling off to some degree (but not entirely) beyond a threshold level of income adequacy.

How steep the gradient of child outcomes is says much about the equality of opportunity and the ability of all to develop capabilities in a given society. More equal societies, for example, tend to have not only higher average literacy and numeracy levels, but also a narrower distribution of literacy levels among all young adults (Organization for Economic Cooperation and Development (OECD) and Statistics Canada 2000). While young adults from a higher socio-economic status background (defined by parental education and income) have similar (high) literacy levels across advanced industrial countries, young adults from lower and middle socio-economic status families in Scandinavia and the Netherlands score much higher than young adults from similar backgrounds in Canada and, to an even greater extent, the United States. Levels of achievement at the bottom and middle are higher in the more equal countries, and the gradient of literacy attainment by parental socio-economic status is much flatter. More equitable societies extend greater opportunities to children and youth. Indeed, broad levels of equality and inclusion in the present have been shown to be positively linked to the future life chances of children (Osberg 1995).

Drawing attention to change over time

Inclusion/exclusion is a dynamic concept, implying some sense of trajectories over time. One might hesitate to describe a child as socially excluded if she is disadvantaged for a brief period, but quickly bounces back into the mainstream. For example, recent research has indeed shown that the population of poor children changes significantly over time (Canadian Council on Social Development (CCSD) 2001). Analysis of these dynamics is centrally important since the excluded, or those at risk of exclusion, should be taken to include not just those in long-term relative poverty – in this example – but also those who tend to move in a narrow income range above and below the poverty line. The inclusion/exclusion perspective also draws attention to additional dimensions of disadvantage, such as the depth of low income of families with children, or the severity of a disability.

Incorporating the idea of social distance

The relative nature of the inclusion/exclusion concept is about more than gaps between children; it is also about the idea of social distance. The distribution of income, for instance, is intimately linked to a wide range of social experiences over and above consumption. In a high inequality society, it is likely that there will be segregation of high- and low-income neighbourhoods, and thus limited social interaction between children in schools and in recreational and cultural programs. The loss of shared social space has been seen as characteristic of the United States, as is the trend for the affluent to move to highly homogeneous 'gated neighbourhoods' (Jargowsky 1996). Poor children in very poor neighbourhoods face a worse and more intractable situation than poor children in mixed-income neighbourhoods which affects present well-being and future outcomes (Corak and Heisz 1998). In a relatively equal and

inclusive society, there is likely to be a much higher level of broadly shared social experience.

Social distance will also be affected by the level and quality of public services. A high level of public provision of health care, education, recreational services, assisted housing, child care and so on, funded from tax revenues rather than from after-tax household incomes, means that there will be broader access to a common set of services used by the great majority, and an equalization of the life chances of children. A low level of public provision, by contrast, means that there is differential access to high quality services based on income, and thus an increased difference in life chances and social experience. A high level of public provision of education and health is associated not just with better services and better outcomes for the less affluent, but also with the continued participation of the great majority in the public system. Canada scores high in terms of broadly inclusive health and public education systems for children, but much less well in terms of publicly assisted housing, child care, early childhood education and public recreational programs. The significance of large income gaps has to be interpreted in the context of market provision of many fundamental needs of children and the fact that children live in 'public space' to a much greater degree than adults (Phipps 2000).

Recognizing the key role of the state in creating the conditions for all children to realize their potential

Lastly, the concept of social inclusion and exclusion places the burden on society to ensure that all citizens – including children – are able to participate in, and be respected by, society. As noted above, this does not mean that all citizens will necessarily strive for or achieve the same outcomes, but that all citizens should have “equal freedom” to enjoy community life, and to be included. Social inclusion upholds

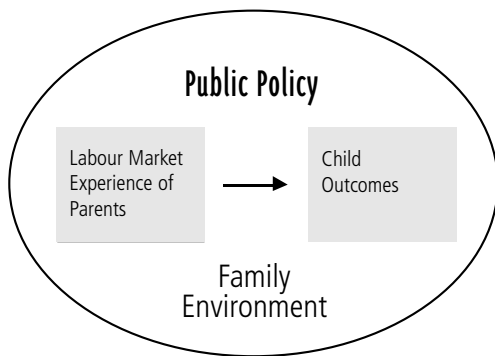
the value of diversity and recognizes that, for some, “extra effort” – or corrective investments – will be necessary to ensure that all develop to the best of their capabilities (Klasen 1999).

To summarize some key points: if inclusion of children is taken to mean equality of opportunity to actively participate in society and to develop capacities and capabilities which lead to equitable life chances, what counts is not just the presence or absence of disadvantage (whether defined in relative or absolute terms), but also a relatively high level of equality of condition and limited social distance. The inclusion perspective goes beyond the poverty debate to take into account the importance of gaps and distances across divergent sources of disadvantage over time. Income inequality is an imperfect proxy for a host of potential threats to inclusion and equal life chances, such as consumption and investment differences and the quality of housing and communities. The social inclusion/exclusion perspective, by contrast, focuses attention on the diverse supports necessary to ensure that all children develop to the best of their capabilities and are included.

2. Conceptual Framework

It goes without saying that the labour market status of parents clearly affects the well-being of children. But these linkages are not necessarily clear or direct. We argue that the linkages cannot simply be reduced to the level of household income, albeit critically important in fostering healthy child development. Rather, a social inclusion framework points to a number of other ways in which parental labour market experiences affect the ability of children to develop their talents and capacities to the full.

We identify three key linkages between parental involvement in the labour market and healthy child development: financial resources including in-kind benefits; time available for children; and the risk of stress arising from paid



work, unemployment, precarious employment and work/family conflict. These linkages are not direct. There are at least two critically important mediating factors at work: the dynamics of individual families and the social policy context surrounding work and family. (See Diagram 1). First, parents and families differ greatly in their capacities to deal with the potential impacts of low or unstable income, work/family conflict and stress on children. The second mediating set of factors is public policy and programs – such as availability of child benefits, child care and employment benefits

and labour market regulation – which can potentially offset the impacts of low income, time stress and work/family conflict on families and children.

In an ideal world, children would have the resources and opportunities to grow up happy and healthy, surrounded by caring adults who were free to spend unfettered time with them. In a market economy however, for most parents, employment is a necessity. The ideal is a balance, where parents are able: (1) to obtain an adequate income and benefits relative to the social norm to generate the financial resources needed for healthy child development and active participation; (2) to work in stable jobs and in job environments with relatively little stress; (3) to experience little or no work/family conflict; and (4) to devote significant time to the care and well-being of children in the home and the community. In Canada, however, this is very far from being the case. Some families are excluded from the job market altogether through long-term unemployment or non-participation in paid work. Labour market exclusion translates into very low incomes from income transfers, particularly common for women single-parent families. In round numbers, about one in ten children in Canada live in families which are excluded from the job market, typically depend upon social assistance, and experience deep and continuing low income.

Just as important, given the very high rates of labour force participation of parents in Canada – and a major focus of this paper – are conditions at the ‘low end’ of the job market in terms of security, stability and quality of employment. It requires very long hours for low-wage working families to reach adequate family income levels, and many face a very high risk of recurrent low income due to the heavy

overlap of precarious work (involving either limited hours and/or frequent unemployment) and low-paid work. The dominant forms of precarious employment are insecure, low-pay, low-benefit jobs, particularly temporary and contract jobs, and own account self-employment. Stress from unemployment, insecure work and low pay is high for these ‘marginally included’ families. In round numbers, about two in ten children fall into this category marked by a high likelihood of continuing relative low income and income instability.

At the other end of the spectrum, the working parents of as many as two in ten children work very long hours in demanding jobs, effectively trading off time with children and in the community for higher household income and progress in a career. The ‘hyper inclusion’ of parents in the labour market may have negative implications for the inclusion of their children because of limited parental involvement, and high levels of parental stress. While concern is, quite rightly, most often expressed over child exclusion due to low income, it is important to

note that the desirable norm of parental employment in jobs with relatively little stress which provide decent pay and benefits and a good work/family time balance is being eroded from both sides of the spectrum.

The four ‘ideal type’ labour market situations of parents – exclusion, marginal inclusion, optimal inclusion and hyper inclusion – are marked by different conditions with respect to income, time, and stress, summarized in the chart below. These have clear implications for the well-being and inclusion of children. While firm linkages are difficult to establish given the limitations of existing data and research methodologies, our evidence strongly suggests that the structure and functioning of the contemporary labour market strongly and increasingly militates against optimally inclusive conditions and circumstances for the majority of Canadian children.

Conceptual Typology

Parental Labour Market Status	Key Dimensions of Labour Market Experience		
	Financial Resources	Time for Children	Risk of Stress
Exclusion	very low	high	high
Marginal Inclusion	low/unstable	unstable	high
Optimal Inclusion	adequate to high	high	low
Hyper Inclusion	high	low	high

3. Financial Resources: Unemployment and Precarious Employment

This paper is exploratory; no attempt is made to systematically link the four parental labour market status categories to key child outcomes. Rather, we seek to establish the validity of our labour market typology, and to suggest plausible linkages between the key dimensions of parental labour market experience and the social inclusion of children. This exercise not only highlights the areas where we can firmly make claims about child outcomes, but illuminates the significant gaps in our knowledge about the developmental trajectories of children.

In this section, we look at the whole question of financial resources. While, there is no consensus about the specific level of income necessary to raise healthy children, there is agreement about the negative impact of persistent and deep low income on children which is inextricably linked to exclusion from the labour market on the one hand, and/or marginal attachment on the other. The level and stability of financial resources is a critical co-requisite of healthy child development.

Labour Market Exclusion among Parents

In Europe, exclusion has been used to interpret the predicament of the long-term unemployed such as young persons who have never worked and older workers displaced by industrial restructuring who often live in very high unemployment communities. The long-term unemployed are seen to be excluded because of the intrinsic importance of participation in paid work to individual well-being and involvement in social networks. Long-term unemployment has been linked to poor physical and mental health and marital breakdown with negative impacts upon the present well-being and future life chances of children.

In Canada, however, long-term unemployment of adults aged 25 to 44 years – those who are likely to be parents of at least younger children – is rare. In the late 1990s recovery, the average monthly unemployment rate for this age group was far from insignificant, falling from above 9 percent in 1997 to below 7 percent in 2000. But the proportion of adults aged 25 to 44 years unemployed for more than three months was modest, falling to under 3 percent in 1999, with the rate being somewhat higher for men than women. The proportion unemployed for one year or more was extremely low, falling from just 1.4 percent in 1997 to below 1 percent in 1999. Less than 0.5 percent were counted as discouraged workers in the late 1990s, reporting that they wanted work but did not actively seek employment in the belief that no work was available. Thus, the face of labour market exclusion in Canada is not the long-term unemployed; rather, those who are excluded from the labour market, including many parents, tend to be non-participants.

Some non-participation in the labour market reflects a free choice, particularly for women with young children and those pursuing higher education or training. However, for most, non-participation represents no choice at all. This is notably the case for persons with disabilities who are unable to find or engage in paid work, and for single parents (mainly women) on social assistance who either choose not to seek paid employment for a period of time to care for children, or are trapped by the 'welfare wall.' These individuals and families are forced to turn to income support programs – specifically social assistance – for varying amounts of time because the labour market, to a considerable degree, does not provide satisfactory choices, but only tough trade-offs.

The ramifications for families, and for children are clear: exclusion from the labour market means poverty. In no province or territory do social assistance benefit levels come even close to approximating Statistics Canada's low income cut-off – the most widely used measure of low income in Canada. If social assistance recipients received no other sources of income for the entire year, their poverty would be virtually guaranteed. For groups effectively excluded from the labour market, such as lone-parent mothers, this is indeed the case. A 1997 CCSD study found that poverty rates among lone-parent mothers in receipt of social assistance and their children was 82 percent in 1994. The incidence of child poverty is, in effect, largely driven by the sizeable numbers of children (an estimated 10 percent) who live on social assistance each year and are at significant risk of poor developmental outcomes. Poverty effectively delimits the life chances of many, many children.

In addition to impoverished incomes, it is often argued that welfare 'dependency' breeds continuing dependency and exclusion of children from mainstream society. There is some evidence of 'intergenerational transmission' (Currie 2000). However, this finding raises the question of whether this is because the poor tend to remain poor because of compounding sources of disadvantage – as stressed in an inclusion/exclusion perspective – or because something cultural attributable to receipt of transfers is at play – that is, parents foster 'dependency' in children by their very presence on the program and the alleged transmission of values which militate against success at school and participation in paid work. It is beyond the scope of this paper to review competing evidence on this question. What is indisputable, we would argue, is that the impact of living on social assistance is deeply stigmatizing for parents and children. The experience of childhood poverty shapes children throughout their lives.

Active labour market programs, tax-based income supplements for working poor parents, continuation of social assistance health benefits for the working poor as they leave the social assistance system, and investments in quality affordable child care are all needed to create real ladders of opportunity from welfare to work. While this is indeed the current thrust of policy – if not the reality – welfare itself also needs to be reformed to make it less stigmatizing and punitive (Battle 2001). Given that the labour market cannot generate the kinds of jobs needed to provide even a minimally adequate income for many families, especially lone-parent families, a host of strategies are necessary to address the impact of parental labour market exclusion on children.

Marginal Labour Market Inclusion among Parents

Inclusion in the labour market in the fullest sense implies some equality of access to reasonably stable, decently paid jobs and lifetime career ladders. The key problem for too many families with children is marginal inclusion in the job market: recurrent, but not usually long-term unemployment, and frequent employment in short-term, low-pay, low-skill, dead-end jobs. Exclusion is not from the labour market, as in much of Europe, but from the eroding norm of full-time, secure employment (Jackson and Robinson 2000).

As noted above, long-term unemployment of adults of parenting age is low. The incidence of periodic unemployment, however, is very high. The average duration of a spell of unemployment for the parental age group was 20 weeks in 1999: 22 weeks for men and 19 weeks for women. In round numbers, about one in five parental age adults experienced at least one spell of unemployment in the year. Going one step further, a still higher proportion of families are affected by unemployment in a year since the probability of unemployment within a fam-

Table 1

Key Labour Market Dimensions for 25- to 44-Year-Old Adults (%) in 1999			
	All, 25-44	Men, 25-44	Women, 25-44
Unemployed as % labour force	7.6	7.8	7.3
Employed as % population	80	85.7	74.3
Time (% of Employed)			
Part-time	12.8	4.5	22.3
% of part-time working part-time involuntarily	34.9	56.5	29.8
Own account self-employed	10.8	12.2	9.3
Temporary employees	9.2	8.6	9.8
41-49 hours	7.9	10.5	4.9
50+ hours	12.5	18.3	5.8
Income (% of Employed)			
Low wage	16.8	11.4	22.7
Full-time	14.2		
Part-time	34.6		
Temporary	31.7		

Source: Statistics Canada, Labour Force Survey

ily increases with the number of earners. About one in three families have been affected by unemployment each year between 1980 and 1997, with the family unemployment rate registering a recent low of 28.2 percent in 1997.

Table 1 details the prevalence of some key forms of precarious work among parental age adults in 1999. One in ten employees were in temporary jobs (defined as jobs with a specified end date), almost double the level of a decade earlier. Almost one in three such jobs are low wage, paying less than two-thirds the economy-wide hourly median wage, and the vast majority provide few if any benefits – a significant source of exclusion among children (Grenon and Chun 1997). With the exception of a minority

of highly skilled workers who are in high demand, temporary work is not a preferred option, as it is associated with stress and anxiety over prospects for continuing employment and career advancement, as well as a high incidence of short-term unemployment.

Another one in ten workers of parenting age were own account self-employed workers in 1999, running their own business but employing no other workers. About four in ten of all new 'jobs' created in Canada between 1989 and 1998 came in this form (though paid jobs have grown more rapidly in the recent recovery). While it is possible for microbusinesses to provide satisfying and rewarding employment, the odds are against it as incomes tend to be very

low. In 1995, own account self-employed workers earned just 68 percent as much as the average employee (falling to 55 percent for women own account self-employed workers). There are substantial flows of own account workers into regular paid jobs if and when these become available.

The third major form of precarious employment is part-time employment. Almost one in four women of parenting age work part-time. While some part-time jobs provide decent wages and benefits and regular hours, and are taken as a matter of choice to balance work and family responsibilities, one in three female part-timers take part-time work only because no full-time work is available. As well, one in three of the part-time jobs held by adults pay less than two-thirds the economy wide median hourly wage (\$13.86 per hour), compared to one in seven full-time jobs. Non union part-time jobs pay just 64 percent of the wage of full-time jobs, and well under 10 percent of non union part-time jobs provide pension, health or dental benefits. In fact, all children of the working poor – who do not benefit from benefits provided under social assistance – are most likely to go without needed treatment. One in eight Toronto children, for example, have been found to be in urgent need of care for untreated dental decay, which is a leading cause of absence from school (Toronto Public Health Department 2001). Taken together, low pay and lack of benefits in most part-time jobs constitute a huge barrier to labour force participation by parents, especially lone-parent mothers, who need full-time hours to hurdle the ‘welfare wall’, even given recent improvements to child benefits.

One in six or 16.8 percent of all parental age workers in 1999 were in low-wage jobs, defined as jobs paying less than two-thirds the economy-wide median wage. Roughly one in ten men and one in five women of parental age

worked in low paying jobs that provide an insufficient wage to meet the income norm. A single parent working full-time, full year at two-thirds the median wage would remain well below the poverty line (pre-tax low-income cut-off (LICO)) and a two-earner family would have to work a total of 76 weeks at this wage level to reach the LICO. Low pay overlaps heavily with precarious work arrangements, and also with frequent unemployment which greatly increases the chance of low income. Thus, it is quite possible for a family to be included, in the narrow sense, with the regularly employed given wide gaps in hourly and weekly earnings, but excluded in the sense of being distant from the mainstream in terms of consumption.

There is very limited movement in and out of low wage ‘dead end’ jobs over time, particularly for those with low levels of education. Drolet and Morissette define low weekly earnings as less than two-thirds the median and find that only about one in five adult low-wage workers in 1993 had escaped that condition by 1995 (defined very conservatively as a real wage increase of 10 percent). This applied to just one in eight female lone parents. Thus, while only a minority of children live in families that are fully excluded from the labour market over long periods of time, many more live in ‘marginally included’ families, buffeted by the ups and downs of the economy. As children cycle between the precarious labour market and income support, the only constant is low income and instability.

Child Poverty and Income Inequality

Parental labour market experience profoundly shapes the life chances of children in a number of ways. First and foremost, the level and security of household income provides the central means of access to many sources of well-being in a market economy. As we note in our discussion above, this not only involves access

to basic consumption goods – food, shelter and so on – but other key investments that are critical to child well-being such as recreational opportunities or safe housing. Research shows, for example, that children from low-income families are much more likely to live in crowded and substandard housing without ready access to parks, open space and the like, all of which can translate into poorer health and educational outcomes compared to more affluent children (Canadian Mortgage and Housing Corporation (CMHC) 2000; CCSD 2001). In this very direct way, the labour force experience of parents affects the opportunities for healthy child development.

Thus, the prevalence of unemployment and insecure forms of employment – documented above – is troubling. Periodic unemployment and more insecure employment are the major reasons for the growing inequality of earned incomes of families with children, and for the persistently high levels of child poverty. And even short periods of poverty can negatively shape a child's development during the critical early years.

The overall income gaps among Canadian children are large, and are growing as shown in **Table 2**. In 1998, total incomes of families of

children in the 5th decile of the income distribution (just below the median) were 3.7 times those of children in the bottom decile, and incomes of families of children in the top decile were 11.6 times as high. Total before-tax incomes of the families of the top 10 percent of children in 1998 averaged \$159,790 compared to \$51,698 for children in the 5th decile, and just \$13,813 for those in the bottom decile. These gaps expanded significantly between 1993 and 1998, with the top growing away from the middle, and even more so from the bottom. While Canada remains a more equal society than the United States, the overall income distribution is strikingly more unequal than that in the more inclusive Scandinavian countries, the Netherlands and Germany (Jackson 2000b).

Income gaps between the bottom, middle and top for families with children are driven by trends in the labour market in combination with trends in income transfers, such as Employment Insurance (EI), social assistance and child benefits. Very low income families with children who are excluded from the job market rely upon transfers, while the marginally included in the job market depend upon earnings in combination with child benefits, EI,

Table 2

**Child Income Inequality
Growth of Income Gaps, 1993-98**

**Decile Ratios of Families of Children under 18
Total Income**

	1993	1998
D5/D1	3.4	3.7
D10/D5	2.8	3
D10/D1	9.5	11.6

Source: CCSD using data from Survey of Labour and Income Dynamics.

and the occasional use of social assistance. Growing gaps between the bottom and the middle reflect recent cuts to social assistance and EI benefits in combination with labour market trends. By contrast, income gaps between the middle and the top are driven almost exclusively by trends in the job market. The dynamics of the earnings distribution in Canada in the 1980s and 1990s have been driven much more by time worked – particularly weeks worked in the year – than by changes in relative weekly or hourly pay (Picot, 1996; Picot, Jackson and Wannell 2001). The key factor behind growing earnings inequality has been unemployment, which mostly affects families from the middle to the bottom of the income distribution.

Given the trend towards greater income inequality over the 1990s, it is not surprising that poverty levels have remained persistently high. Looking at the bottom of the income distribution, we see in Table 3 that almost one in three Canadian children (31 percent) experienced low income (below the pre-tax LICO) at least once in the 1993 to 1998 period. Poverty was a long-term experience (five or six years) for about one in eight children (12.8 percent),

and another one in five children (19.3 percent) experienced a significant spell of poverty. While six in ten poor children in any given year are the long-term poor, two in ten are experiencing a relatively short spell of poverty, and two in ten are vulnerable to but not trapped in long-term poverty. Finnie finds that those moving in and out of poverty tend to cycle in a relatively narrow income range, and that experiencing poverty greatly increases the likelihood of experiencing it again (Finnie 2000).

Movement of children in and out of low income is about equally driven by labour market events, particularly unemployment, and by marriage and divorce (Picot, Zybblock and Pyper 1999). Vulnerability to poverty is greatest for those who are below median income because of vulnerability to unemployment, and because divorce among lower income families is more likely to lead to poverty on the part of the new lone-parent family. Family dependence on a single potential earner produces very high poverty rates for lone-parent families headed by women.

A child in a lone-parent family is not socially excluded per se and can have a materially comfortable and nurturing home environ-

Table 3

Duration of Child Poverty

Consecutive Years in Poverty, 1993-98

(Children 12 and Under)	
None	69%
1-3 Years	19%
4-6 Years	12%

Source: CCSD using data from Survey of Labour and Income Dynamics (Pre-tax LICO basis)

Distribution of Total Annual Spells of Child Poverty

(Children 12 and Under, 1993-98)	
Long-Term (5-6 years)	59%
Vulnerable (2-4 years)	19%
Occasional (1-2 years)	22%

Source: CCSD using data from Survey of Labour and Income Dynamics (Pre-tax LICO basis)

ment. However, social context is critical. In countries, such as Canada, which provide only very limited transfers and child benefits to single parents outside the work force and low wages to many working women, single-parent status carries a very high risk. Similarly, where there is a very limited supply of affordable, quality child care, children from single-parent families face a major risk of being in poor care arrangements. The potential for exclusion arises from the lack of actions and policies necessary to offset the potential source of disadvantage created by single-parent status and the labour market.

Summary

As argued above, income dynamics are a key proxy for inclusion/exclusion based on access to market goods and services and the quality of communities. From a social inclusion/exclusion perspective, attention should be focused on children who experience long-term, deep poverty. In round numbers, about one in ten Canadian children belong to this group. Long-term deep poverty is usually the product of overlapping and mutually reinforcing sources of social disadvantage, notably belonging to a single-parent family led by a woman primarily reliant upon social assistance and relatively detached from the job market.

A much larger group of about two in ten children are the children of the working poor, belonging to families heavily impacted by unemployment and the high incidence and growth of precarious and insecure work. The impact of precarious work on incomes has been compounded by cuts to EI entitlements and to social assistance benefits in the 1990s which have significantly affected the incomes of the working poor (Myles and Picot 2001). Recent increases in child benefits have mitigated these impacts to some extent. In both cases, vulnerability to low income overlaps with other sources

of potential disadvantage such as aboriginal, recent immigrant and visible minority status, living in a distressed neighbourhood or having a disability.

4. Time with Children: Long Hours and 'Hyper Inclusion'

The level of labour market participation of parents in terms of hours will determine both income and time potentially available to spend with children and in the community. From the perspective of the development of the capabilities of children and child well-being, time is at least as important as income. Close parental involvement with children is the critically important factor in healthy development, particularly in the early years (Haveman and Wolfe 1994). Parental involvement explains why most children from low-income families fare well across many 'capabilities' dimensions, including doing well at school, forming close friendships and being actively involved in the community, despite a formidable array of barriers. The higher risks faced by children of single parents are likely attributable in large part to the lack of potential parental time compared to two-parent families. Child success at school, in particular, is strongly influenced by the level of parental support in terms of time (Curtis and Phipps 2000), and time is an important factor behind the level of child involvement in structured recreation.

Loving parental involvement is not reducible to time alone. What counts are good parenting skills and 'quality time'. Good quality child care, when available, is an important complement to parental time, within reasonable limits, and provides much needed support to young children. But clearly the quantity of time available for and actually spent by parents with children outside school hours and on weekends is important, and 'quality time' is hard to deliver if parents are under a lot of time stress. Further, inclusive communities depend upon parents to volunteer and participate in child-oriented activities, from organized recreation to support in schools. Children may be at risk of exclusion in terms of capabilities development

and non-participation in the community if one, or particularly, both parents have very long working hours. High levels of work/family time conflict due to long hours also affect the physical and mental health of parents and relations between parents and children. Research shows, for instance, that movement to long hours is strongly associated with increased depression and alcohol consumption, particularly among working mothers (Shields 2000; Scott 1999).

There has been a large increase in the working hours of two-parent families with children since the mid 1970s due to increased work hours for men and the increased entry of women into the workforce and full-time jobs (Kilfoil 1998). This has maintained real family incomes in the context of a deteriorating labour market (though it has also contributed to family income gaps since high earning women tend to marry high earning men). Three in four (73 percent) of two-parent families with children have two earners today, compared to one in three in 1975, and three in four (73 percent) of women in these families now work full-time. Dependence on two incomes to achieve the consumption norm can be strikingly illustrated by the fact that, in round numbers, it now takes two people working full-time at the median hourly wage to achieve the median income of two-parent families with children. Six in ten women who are single parents (63 percent) work, and 77 percent do so full-time. Full-time employment rates for women are only slightly lower for those with pre-school children, mainly reflecting maternity and parental leaves taken after the birth of a child.

There has been a mini research industry on the effects of maternal paid work on developmental outcomes for children, particularly young children. While the assumption has often been that less time with children trans-

lates into poorer child well-being and outcomes, any negative effects on young children are very small and are offset by the positive effects of higher household income (Lefebvre and Merrigan 1998). Daughters of working women tend to do better in the labour market as adults (Haveman and Wolfe 1994) and there is evidence that women's earnings are somewhat more likely to be spent on children than those of men. All that said, very long parental working hours are very likely problematic for the well-being of children.

There has been a strong trend to longer (and shorter) working hours for both men and women in the 1980s and 1990s at the expense of the 40-hour work-week norm. In 1999, 10.5 percent of men aged 25 to 44 years worked 41 to 49 hours per week, and a further 18.3 percent of men worked more than 50 hours per week (See Table 1). More than one in four men thus worked more, often much more, than a 'standard' work week. Long hours for parental age women are less common, but far from insignificant. In 1999, 4.9 percent of women aged 25 to 44 years worked 41 to 49 hours per week, and another 5.8 percent worked more than 50 hours per week. More than one in ten women thus worked more than a 'standard' work week. In addition, average commuting time in large Canadian urban centres runs at least one hour per day and is often far higher for young families in distant suburbs. In light of these findings, it is not surprising that increasing numbers of children are unsupervised in the long period between the end of school and the time when parents return from work.

The incidence of long hours is much higher than average among reasonably well-paid workers, notably managers and professionals and unionized blue collar industrial workers. Increased inequality in the distribution of earnings in Canada has been strongly driven by a

polarization of working hours with higher paid workers working longer and longer hours, and lower paid workers experiencing more unemployment and part-time employment (Picot 1996).

It is not just a question of the amount of time that parents spend with children, but how that time is structured. Significant numbers of full-time workers work on a shift basis or irregular hours. All told, about 30 percent of both men and women work 'non standard' hours – i.e., on weekends, evenings or nights – as opposed to regular weekday hours, and 12 percent of men and 16 percent of women work irregular shifts. Among working mothers, 21 percent work shifts – of whom 12 percent work irregular hours or are on call – and 39 percent work on weekends. The numbers imply that a large minority of parents are active participants in the lives of young children for only relatively brief periods during any given week.

Even if workers are not putting in long hours on the job, those who work part-time often face untenable trade-offs between employment and time with their children and family. Thirty-eight per cent of non-union part-time workers, for example, worked on an irregular or on-call basis in 1995, while 85 percent of non-union part-timers worked on weekends. Hours of part-timers also tend to be highly variable and usually don't match the hours when children are out of school. Stress from such working arrangements is likely to be far greater for single parents, and for those who do not have good alternative care arrangements for their children. Thus, while some parents may choose or are forced to work irregular or part-time hours, they can pay a steep price in lack of family time together and high levels of work/family conflict (Voydanoff 1988; Burke 1988).

Parents employed full-time still spend significant amounts of time with children. Men spend about four hours per day with very

young children, falling to about three hours per day with 9 to 12 year olds, while women working full-time spend more than six hours per day with young children, again falling to less than three hours for young teens. This includes time spent in other activities such as meal preparation. However, both men and women working full-time report spending about one hour per day in leisure time with children. This might be considered a reasonable average, but averages conceal that much less time is spent with children on the part of those working very long hours. Data from the NLSCY (1996) show that 56 percent of non-employed parents play sports, hobbies or games with a child "a few times a week or more", compared to 52 percent working part-time and 49 percent full-time. There is also some modest variation in talking and playing with small children by time worked.

Reported levels of time stress and work/family stress for parents are very high. More than one-third of 25- to 44-year-old women who work full-time and have children at home report that they are severely time-stressed, and the same is true for about one in four men. One in four (26 percent) of married fathers, 38 percent of married mothers and 38 percent of single mothers report severe time stress, with levels of severe stress rising by about one-fifth between 1992 and 1998. Two-thirds of full-time employed parents with children also report that they are dissatisfied with the balance between their job and home life. Fathers and mothers alike blame their dissatisfaction on not having enough time for family, which tends to lose out in the event of conflict (see also, MacBride 1990; Duxbury and Higgins 1998).

Work/family conflict flows not just from employment conditions but is also fostered in the absence of supports for families with children, such as child care, formal and informal after school activities, and community-based

activities. Lack of time also limits the social supports available in the community for children. Partly because of lack of time due to work, just 10 percent of volunteers put in 81 percent of all formal volunteer hours, and those working part-time tend to contribute significantly more time than those in full-time jobs. While ties to family and friends remain strong, direct participation of families in many organized activities for children – from sports to cultural and recreational programs – appears to be in decline due to pressures of work.

It would be an exaggeration to say that 'hyper inclusion' of parents in the job market is unambiguously bad for children given the association of long hours with higher income. But it is fair to say that long hours come at a price in terms of parental and family well-being, and that children may be at risk of exclusion due to low parental involvement and lack of participation in organized community activities.

5. Risk of Stress and its Impact on Children

The last key linkage between the parents' labour market status and child well-being is the risk of stress stemming from the character of the work and work/family conflict. We have already touched upon the high numbers of parents reporting time stress in their work/family lives. Such levels of stress stemming from the character of the work and related pressures have documented impacts on parents, and by extension, on their children.

Arguably the most stressful situation stems from parental exclusion from the labour market. While a distinction can and should be made between parents who experience short-term unemployment and those who have dropped out of the labour market altogether, there can be little doubt that unemployment for all is associated with high levels of financial hardship, anxiety and stress, more so today than in even the recent past. Lavis and Stoddart report, among others, that unemployment is consistently linked to ill health, depression, excessive drinking and marital friction and divorce, all of which are highly likely to negatively impact on children. They write:

Adverse labour market experiences related to the availability of work – unemployment and job insecurity – have been consistently found in cohort studies to be associated with negative health outcomes ... for example, unemployed adults have been found to have increased blood cholesterol levels, gains of over 10 percent in body mass index, and earlier deaths compared to employed adults. The age adjusted percentage of men who were unemployed (not due to illness) at one point in time and still alive five years later was 2.2 percentage points lower than the percentage of men who were continuously employed and still alive five years later (93.3 percent compared to 95.7 percent).

Linkages have also been drawn from 'low-end' jobs to health. Jobs which have a low degree of worker autonomy and decision latitude combined with high levels of job demands – e.g., unskilled work on assembly lines or in telephone call centres or in other high pace non professional/managerial jobs – tend to be very stressful and this stress is strongly linked to physical and mental health problems (Karasek and Theorell 1990; Voydanoff 1988; Bond, Galinsky and Swanberg 1997). Low job control has been found to explain more of the variation in health across job positions than all standard coronary heart disease risk factors taken together. Health researchers tend to agree that the now well-established linkage from income inequality to health runs in large part through the stress and anxiety associated with the kinds of jobs typically associated with low incomes.

Low income resulting from either precarious work or labour market exclusion is a cause of stress in its own right. Depression is strongly linked to low income, particularly among women (Statistics Canada 1999). Survey evidence for the CCSD Personal Security Index shows that fear of job loss and fear of crime are much higher at low income levels. Interestingly, however, high stress overall is found at both the bottom and higher end of the income scale, and is lowest in the middle.

Research on child well-being consistently shows that the quality of parenting is key. While there is little Canadian research to cite, it is reasonable to believe that serious stress and anxiety at work and in the job market is not left on the doorstep when parents return home. The Canadian Mental Health Association, for example, has found in their major study, *Unemployment: Its Impact on Body and Soul*, that unemployment is linked to severe anxiety and depression, marital problems, child abuse,

and increased problems in school for children and young adults. Using a life course perspective, Cooksey et al. studied three aspects of the employment conditions of parents: employment status, work stability and occupational complexity. Parental work stability and occupational complexity – largely absent from low wage, precarious work – were found to be associated with fewer behavioural problems for children. While all families will not be affected in the same way, work/family conflict and its resulting stresses are felt by all members of the family, as well as by employers and others in the community.

Coping with Stress: Employment Benefits and Children

The work/family literature highlights the importance of time flexibility for parents to deal with the ups and down of everyday life with children. All too often, it is left up to the discretion of an individual manager to grant employees the time they need to take a child to the dentist, to care for a sick child or to attend meetings with a teacher. Others have to give up employment altogether when they have children because they are not guaranteed employment after the birth of their child. Certainly parents who are marginally included in the labour market through various forms of precarious employment have little recourse to the benefits necessary to accommodate their family lives.

Above we have touched upon dental and extended medical benefits provided by an employer directly that constitute a key financial resource for families. Non coverage, in the current policy context, usually means that families will have to pay for child dental care, drugs and many medical devices out of their own pockets, or forego treatment.

Time for children is also a significant employment benefit which is generally unavail-

able to parents with marginal attachment to the labour force. Access to Employment Insurance (EI) maternity and parental benefits is limited not just by restrictive program eligibility criteria, but also by the extent to which employers 'top up' benefits. Many professional/managerial employees and unionized workers, for example, qualify for supplementary benefits (generally for 17 to 25 weeks) and typically take fairly extended leaves. Precarious workers are rarely covered, do not receive supplementary benefits, and have limited rights to even unpaid leaves.

Rights to family responsibility leave are also very limited, with Quebec being the most 'generous' jurisdiction at just five (unpaid) days per year. One in four unionized workers have some (often quite limited) right to paid leaves to deal with an illness in the family, and about half have a right to unpaid leave for personal or family reasons. Other workers must rely on informal support from employers to deal with emergencies, almost certainly compounding work/family stress and potentially undermining the level of parental care and support available to children when illness or emergencies arise. Finally, paid vacation entitlements determine how much extended time off parents can spend with children. Just 31 percent of non-unionized workers – mainly managers and professionals – get more than 15 days paid annual leave, compared to 61 percent of unionized workers. Lack of time and income combined translates into much reduced opportunities for marginally included families to just spend time together.

The evidence presented in this paper suggests that the labour market is polarizing along a number of dimensions, not only in terms of access to employment, but access to secure employment at living wages with adequate benefits. The capability to earn one's living, in a way that affords self-respect and community recognition, as Sen eloquently argues, is increasingly confined to a core of workers and their

families. Governments have taken steps to offset some of the impacts of growing economic inequality, yet much remains to be done. The stakes are high as we increasingly see the many negative consequences of less than ideal labour market conditions on children – in terms of inadequate and insecure financial resources, reduced time with family, and high levels of stress and work/family conflict.

6. Implications for Further Research and Policy

Research

The above analysis has drawn heavily on a wealth of labour market data, showing that we know a great deal about the labour market experiences of parents and about their implications for household income and for income inequality. We also know a fair amount about work/family stress, though much less about work stress. The large set of questions that remains relatively unexplored are the implications of different labour market experiences of parents for child development and well-being. Some plausible linkages have been suggested above, and some studies have been cited. But the concrete linkages to child well-being and outcomes need to be more closely analyzed and documented. Key limitations include the relative lack of rich data on parental labour market experience in the NLSCY compared to labour market surveys such as the Survey of Labour and Income Dynamics (SLID) and the Labour Force Survey, and the fact that we know little or nothing about the long-term implications for children. But more could be done with what is available. The huge task of linking complex and varied labour market experiences of parents to the life courses of children is very much in its infancy.

Policy

The language of social inclusion has been used by the European Union, the OECD, the International Labour Organization and others to advocate a reshaping of the labour market and social policy. The broad formula for family inclusion is seen to lie in high employment, assisted by measures to train and retrain the unemployed and low skilled and ‘topping up’ the wages of those in low wage jobs through such means as child tax benefits. But huge dif-

ferences exist between the advanced industrial countries with respect to regulation of the job market, the ‘generosity’ of income supports and the availability of public services. The most inclusive countries are those which establish a high-wage floor and have flat-wage structures (such as the Netherlands and the Scandinavian countries) and also have generous child transfers and programs for children such as affordable child care. Countries with low-wage floors and very unequal earnings distributions – such as Canada and the US – also have low levels of transfers to children and the working poor and a relatively meagre range of non-market services. Neither labour market policy nor income transfer policies mitigate very effectively against marginalized work and its impacts on children in Canada, though recent increases to child benefits will significantly benefit working poor families.

Some one in ten children live in deep and continuing poverty because of their parents’ exclusion from the labour market. The most obvious policy remedies here are increased social assistance benefits combined with real supports to parents (particularly single parents) trying to move from welfare to work. Affordable child care, continuation of some benefits into employment, and access to training and education are all needed, in combination with continued improvement to child benefits for the working poor.

As many as two in ten children move in a relatively narrow range above and below the poverty line because their parents are trapped in low wage, precarious jobs. Increased child benefits are very much a step in the right direction. The basic personal amount which can be earned free of tax could also be significantly increased to further boost the after-tax incomes of working poor families.

Child benefits and tax measures can help offset low employment income and equalize incomes of families with children. But they cannot offset the stress of recurrent unemployment and the injuries of low-wage 'dead-end' jobs. Nor can they really close the income and opportunities gaps created by very large inequalities in the distribution of earnings.

The high level and strong growth of precarious employment owes a great deal to the particularly adverse economic circumstances of the 1990s. With the fall in the unemployment rate in the late 1990s, full-time, permanent paid jobs have become more prevalent, and there may be an increase in real earnings at the bottom and thus some decrease in earned income inequality. However, these tentative gains are now threatened by growing economic uncertainty and slowdown.

That said, a strong case can be made for policy interventions to make the labour market work better from the perspective of those in low-pay and precarious jobs. As noted, the more regulated labour markets of northern continental Europe deliver much lower levels of wage inequality, less insecurity, shorter working hours and a much lower incidence of low pay than the 'liberal' labour markets of the United States, Canada and the United Kingdom (Jackson 2000b). Reforms to social policies to promote high employment have a very different impact in this labour market context.

A higher wage floor could be achieved by significantly increasing the minimum wage, say to two-thirds of median earnings. Minimum wages at this modest level have very little or no negative impact upon the employment of adults, and help counter low income and earnings inequality. The same objective could be achieved by facilitating the spread of collective bargaining in low wage sectors of the economy. The report of Alex Dagg to the Collective Reflection on the Changing Workplace spon-

sored by Labour Canada advances the case for sector wide bargaining to raise standards. Collective bargaining tends not only to raise the wage floor, but also to reduce earnings inequality. A high wage floor and high earnings equality can be found in Scandinavia, the Netherlands and Germany, but this does not necessarily come at the price of labour market 'rigidities' and poorer economic performance (see Jackson 2000b).

Labour market reforms could resolve many work-family time conflict issues. Calls for equal pay and pro-rated benefits for part-time workers and regular work schedules for part-timers, go back to the Wallace Commission of more than 20 years ago, and were repeated in the 1994 Report of the Advisory Group on Working Time and the Distribution of Work to the Minister of Human Resources Development, but have still not been acted upon. These kinds of changes could make part-time work a much better option for many working parents, particularly those who want to work part-time for only a few years before children attend school. We also need increased family responsibility leave, broader entitlements to maternity/parental leave to at least match expanded UI benefits, and higher levels of paid vacation.

As noted above, many work/family conflict problems are compounded by an absent or minimal level of supports, notably affordable, accessible, high quality child care and early childhood education programs. Beyond expanding the recently announced federal-provincial early childhood initiative, there is a need to expand programs and supports for older children, such as organised after school recreational programs.

We have highlighted the problem of 'hyper inclusion' of working parents, with possible negative consequences for children. The polarization of working time between the mar-

ginally and precariously employed and those employed for long hours has led to interest in the potential for work-time redistribution to promote a more equal distribution of earned income and work time, to the dual benefit of children from an inclusion perspective.

The Report of the Advisory Group on Working Time and the Distribution of Work explicitly advocated such a redistribution. While the main instrument envisaged was, appropriately, a broadly based national dialogue to promote voluntary change, the report recommended a legislated annual limit of 100 hours overtime, with hours in excess of the limit to be compensated through paid time off. The limit was to apply to salaried as well as hourly workers, in the context of a gradual reduction of the regular work week. It was argued that a reduction of long hours would create a slack in the job market which would lead to lower unemployment and decreased involuntary part-time work.

Though undoubtedly problematic for a number of reasons, such a proposal to redistribute time is highly attractive from the point of view of work/family balance and child well-being. It is well worth taking up the unheeded call of the Advisory Group for discussion about reduction and redistribution of working time, and new voluntary initiatives to promote better time balances for working families.

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