

Economic Restructuring through Trade: Implications for People

Marjorie Griffin Cohen

When changes to economic policy result in the substantial reorganization of a nation's economy; painful dislocations inevitably occur. The expectation usually expressed is that, while there will be pain, this will be short-term, but ultimately, these "structural adjustments" will place the nation in a stronger position, and the people within it will be better off. The debates that invariably follow focus on what constitutes success. For example, are rising growth rates more significant than increases in unemployment? Is a lower rate of inflation more significant than a decline in the standard of living? Are higher taxes and fewer social services the price one must pay for reducing the debt? Must a country abandon commitments to regional development and reduce the disparity between its groups of people in order to be more competitive in global trading?

In Canada, these questions have been at the centre of political controversy since we first began anticipating free trade with the United States. The sides were clearly drawn, with the government (the Progressive Conservatives) and the major business interests in the country firmly behind free trade, while trade unions, women's groups, religious organizations, poverty groups, and aboriginal people have campaigned against it. The objections to the free trade agreements - the Canada/U.S. Free Trade Agreement (FTA) and the North American Free Trade Agreement (NAFTA) arose not because people were isolationists or even protectionists, but because the agreements were more far-reaching than any agreement would be which dealt with only trade itself. The reduction of tariffs and genuine trade barriers was seen as less significant than the changes that would be required in the economic and social institutions of Canada. Those opposing free trade were convinced that the structural changes that these agreements would initiate would not lead to the economic improvements that were promised and that the quality of life would deteriorate. The issue became one of differences between people. It was clear the international business community would benefit from these arrangements, but with only narrowly defined economic goals as the objective, other priorities of people

would not be met. These are the objectives that cannot be worked out through the market system and have to be decided collectively by people, if their benefits are to be universally experienced and not confined to a small class.

Against these introductory remarks, today I want to discuss why the logic of the free trade agreements fails in Canada and how free trade affects people, particularly minority groups and women.

Canada has had a remarkably open economy. Between twenty and thirty percent of our national income, even before the FTA, was derived from trade. Our major trading partner is the United States, with about seventy-five percent of all exports going to that country. Before the FTA, tariffs were applied on only twenty percent of this trade with the U.S., and these tariffs, for the most part, were small, averaging only five percent. Moreover, foreign investment has been encouraged to such an extent that Canada now has more foreign ownership of business than any other industrialized nation in the world. For example, some industries are almost completely controlled by foreign corporations, and altogether about fifty percent of our manufacturing sector is foreign owned.¹ I have two reasons for raising these issues. The first is to show that Canada has not been either protectionist or isolationist, so the move toward free trade is not primarily about changing the focus of an inward-looking country. The second reason is to raise the point that whether or not free trade will benefit a nation depends on the circumstances of individual countries. These trade agreements are forcing Canada to abandon some of the unique ways that it has managed to deal with the problems it faces, and they result in the accentuation of the structural problems that already exist.

NAFTA and the FTA are primarily about the rights of corporations to move freely between countries. For this to occur to the advantage of large corporations, two major conditions needed to be established, and they have been in these agreements. First, labour must not be able to move: except for a small proportion of people (the professional and managerial elites), labour must remain in its home country. Second, as much as possible, one type of economic development must be adhered to, and there can be virtually no distinction in economic and social policies, strategies, or objectives between countries.

Canada has distinct problems. It is gigantic in size, and most of it is very cold for much of the time. There aren't many people in the country relative to the mass of land, and they are unevenly distributed between the northern and southern region. It is a country with special challenges in communicating, keeping warm, and feeding its population, and it has gone about meeting these challenges by establishing institutions that make sense for the conditions there. We have, for example, set up supply management schemes for our agricultural sector and a strong public presence in our transportation and communication systems. Also, we have developed

economic and social programs to deal with the inequalities between regions and among peoples within the country. And while our social services are rather under-developed, compared with most of the industrialized world, they are significantly superior to those provided by our neighbour to the south, the United States, and certainly to Mexico's. With the free trade agreements, many of the institutions that made sense in the context of Canadian conditions are seen as inappropriate ways of behaving and become illegal, if trade is to continue. The list of Canadian practices which must change to meet new international trade requirements is huge.' NAFTA is a document that is, in effect, an economic constitution,' and thus it profoundly affects Canadian institutions. I would like to discuss briefly some of the most dramatic aspects of the document that will force substantial changes in Canada.

The Public Sector

NAFTA is an inherently anti-public-sector document. All public institutions are seen as anomalies, institutions that are out of step with the underlying principles of the deal. This anomalous position is reflected in the language of the document: public services are referred to as "non-conforming measures." The underlying assumption of NAFTA is that the less government, the better. And, whenever possible, public programs and institutions should be transferred to the private sector. When this is not feasible, then the agreement requires that public programs be reshaped to reflect a commercial approach to service provision. For instance, the agreement says (in Article 1502) that "any government monopoly" (this is the term for any state-run program) must "act solely in accordance with commercial considerations."³ This constrains any public corporation from acting as an agent of government economic or social policy and ultimately undermines the logic of public institutions, which is the provision of goods and services in ways that the private sector cannot or would not. For example, it will prevent Canada's public Crown corporations achieving non-commercial goals, such as the conservation of resources or economic development in specific regions. If goals of equality for either individuals or regions conflict with proper "commercial considerations," they could be challenged. Furthermore, a government-owned corporation could not have employment enhancement schemes as a stated policy objective (should any government in the future want to pursue a full-employment policy). This would certainly go beyond commercial considerations.'

While NAFTA permits existing public institutions (or monopolies!) to continue, it will be extremely difficult, if not impossible, for new public programs to be established. This is because of a series of clauses (which are a duplicate of what exists in the FTA) which would require any new public program first to receive approval from the other trading partners. Should this be given, then any international business interests that would be affected

would need to be fully compensated for any current and future losses. This would make the cost of any new program prohibitive, considering the extent of foreign involvement in the Canadian economy. So any government in the future that wanted to establish, for example, a national disabilities scheme or a dental program, would have to pay out huge sums to international insurance providers.'

The FTA was the first international trade agreement to provide a comprehensive treatment of cross-border trade in services, and this has been extended in NAFTA. This gives international service providers the right of establishment and the right of national treatment. The right of establishment gives a corporation the right to operate in the country without having to adhere to specific performance requirements. The right of national treatment does not require that a firm actually be located in the country to bid on service contracts or to conduct any type of business. There is some illusion of protection for existing public services from the cross-border trade in services,' but this has been framed in such a way that only those public services that currently exist can ever be exempt from cross-border trade provisions. This is because each country in the agreement has two years in which it must list all of the public services (at the national, provincial, and local level) which should be exempt from cross-border trade rules. Anything that is not explicitly named will fall into the "open for trans-national competition" category. As any trade negotiator knows, listing exemptions in this way limits protection: something critical could be overlooked, or even more importantly, a new need may arise in the future. Also, there is the possibility that a local or provincial government may deliberately exclude programs it wants to privatize. Because of the nature of the trade agreements, these programs could not be reinstated by another government in the future. The intention increasingly to privatize public services is clear by the establishment of fourteen on-going committees to negotiate expanding coverage of free trade in services.

All of these measures with regard to services produce what some commentators refer to as a "ratchet-effect," a mechanism that allows government action to move in one direction (toward privatization) and never to reverse. So an initially protected government service can become more open to trans-national bidding, but government is prevented from moving it back to the protected category.'

Energy and Resources

One of the most disturbing aspects of NAFTA is the proportional sharing requirement for energy and resources. The agreement prohibits export controls, even in times of national shortage. If production in general is cut back, U.S. buyers are entitled to the same proportion of Canadian total energy production as they have received in the past." This is a provision

that applies to only Canada and the United States since Mexico specifically refused to accept these terms. Mexico could not enter the agreement if it had to comply since it would have contradicted their constitutional requirements.⁹ This proportional sharing arrangement has much more serious implications for Canada than for the United States because Canada is a net exporter of energy while the United States is not. What this means is that, even in times of a national emergency or shortage of energy, Canada will not be able to reduce its exports and may be forced to import energy at higher prices to service certain sections of the country. Ironically, Canada will also not be able to reduce energy exports should the government want to increase domestic use for purely commercial purposes. With conventional oil reserves expected to be depleted by the end of this century; and conventional gas reserves lasting only sixteen years, the likelihood of national shortages in the near future is strong (that is, unless very costly new sources are exploited). Also, as population pressures increase the demand for hydro-electricity, the supply that is now exported could not be diverted for domestic consumption. Rather, new expensive projects that are environmentally damaging may have to be initiated to meet domestic demand.

The FTA and NAFTA go much further than GATT in preventing Canada from using certain policies to control the rate of exploitation of its non-renewable resources. Under GATT export taxes are permitted on any resources while they are specifically banned in these new trade agreements.¹⁰ Also, under GATT, in certain circumstances, export quotas are allowed." Without the ability to use export taxes or quotas, Canada cannot ensure that resources are not sold off at prices below their replacement costs, nor can it develop any rational policy to encourage the processing of resources within the country.

Canada's current prime minister promised during the recent election campaign to renegotiate NAFTA's provisions on energy so that Canada could at least receive the same treatment as Mexico. However, the Clinton administration has been ardent in its refusal to change what is a very favourable energy provision for the United States."

Intellectual Property Rights

International drug companies have succeeded in NAFTA in incorporating protectionism for themselves that even exceeds the controversial provisions proposed for GATT.¹³ The inclusion of patent protection in a trade bill indicates the extent to which free trade is about much more than trade and includes measures for which giant corporations have long campaigned in order to increase their profits. The impetus for this came from the U.S. Pharmaceutical Manufacturers Association (PMA), which was unhappy with Canada's Patent Act. Until very recently, when the Conservative government acquiesced to the PMA's demands as a result of the FTA

negotiations, Canada had in place a licensing system that permitted generic versions of patented medicines to be sold. This did not eliminate patent rights, rather, it obliged pharmaceutical companies to license competitors to copy their inventions in return for a payment of a four percent royalty. With the provision in NAFTA for twenty-year monopoly protection and the possibility that this can be extended in length, the cost of medicines will undoubtedly increase substantially."

This compulsory licensing arrangement was extremely important for keeping the cost of medical care down and has saved Canada hundreds of millions of dollars each year.¹⁵ The compulsory licensing system recognized the social dimension of patents, particularly the social obligation to make food and medical products available at affordable prices. Now that intellectual property rights have been established in international trade law, no future government will be able to ensure that Canadians are not exploited by large international drug companies.

Mexico's position is considerably worse under NAFTA than it would have been if the GATT agreement provisions had prevailed. Under the GATT proposals, preferential treatment was allowed for less-developed countries like Mexico, where these countries would have a five-year general transition period that could extend to ten years in some cases.' " This transition period is not allowed under NAFTA.

The intellectual property provisions in NAFTA are truly protectionist. It is a matter of getting foreign governments to acquiesce to U.S. patent laws and is not about free trade. Perhaps most troubling is the increased protection NAFTA offers to private corporations to privatize and control life forms. Mexico tried to exclude life forms from patentability, but this was not agreed to by Canada and the United States.¹⁷ NAFTA, rather, includes the controversial GATT proposals which demand that plant varieties be protected by patents." While it says that parties to the agreement "may" exclude from patentability plants and animals other than micro-organisms, these can also be included. The patentability of plant varieties alone has extraordinary implications for farmers who will no longer be able to save seeds without paying royalties to giant corporations. Using these seeds would be perceived as making an unauthorized copy of a patented product. Patenting life forms has huge implications for the control of all kinds of life by private corporations. This is an issue that needs considerable discussion at the international level because of its moral and economic dimensions and should not be simply another clause in a gigantic trade agreement.

Effects on People

Four years of free trade in Canada has had a devastating effect on people and, according to opinion polls; the vast majority of Canadians are against both the FTA and NAFTA.¹⁹ The most obvious direct effect has been loss of

jobs in the manufacturing sector. Many firms simply closed their Canadian operations and relocated in low-wage areas in the United States or in Mexico. Since the FTA, manufacturing production has fallen by over eleven percent and manufacturing employment has dropped by sixteen percent. This means there are 350,000 net fewer manufacturing jobs than there were before free trade. Not all job losses are attributable to free trade, since the general economic recession obviously has had some impact on employment. But this depression which Canada is experiencing is significantly different from other recessions in that job losses are not due to a temporary lay-off of workers, with the possibility that they will be rehired when the recession is over. Instead, many jobs are permanently lost because of complete plant closures. In the province of Ontario, the manufacturing heartland of the country, permanent closures (more than 300 plants) have accounted for sixty-five percent of the job losses in manufacturing (compared to less than one quarter in the recession in the early 1980s).

Canada's experience is also markedly different from that of the United States. While Canada traditionally has had a higher unemployment rate than the United States, the difference between the two countries has usually been about two percent. Since the FTA, this difference has grown to 4.6 percent.²⁰ The net drop in Canadian manufacturing employment has been three and a half times greater than the U.S. decline since 1958.²¹ There are no optimistic projections for reductions in unemployment in Canada in the future. The rapid decline in industry and employment has put enormous strains on government resources. Government revenues have dropped substantially at a time when more people are in need of social assistance with the predictable result of increased debt loads for all levels of government. At the same time, the business sector has mounted an all-out campaign to reduce the debt, with the main target being expenditures on social services. Its major complaint is that with increased competition it cannot afford the taxes it pays to maintain these services. Many government programs have been cut dramatically or eliminated altogether.²² The move toward a minimalist state is having a serious effect on the quality of people's lives in Canada.

Women's Employment

Women's groups recognized the problems that would arise from free trade as soon as this subject was introduced by the Conservative government in 1955.²³ The initial concern was about the impact that lower tariffs would have on the manufacturing industries where women were concentrated and which were most sensitive to import competition." These were also industries that had a high proportion of immigrants and women from other minority groups. As more was known about the scope of the FTA, there was increasing concern about the implications for women's employment

in the service sector and the security of social programs. For years the FTA has proved that the anxieties of women's groups were reasonable.

In the literature on the gendered nature of economic restructuring (which focuses for the most part on poorer countries), the usual conclusion is that it increasingly substitutes women's labour for men's and many forms of work become "feminized." While usually very little attention is paid to the gendered impacts of restructuring in industrialized countries, when it is discussed it is assumed that demand for female labour will increase with new competition from low-wage countries. The explanation is that low-wage competition will be instrumental in weakening the bargaining position of labour in industrialized countries and ultimately it depresses wages. As low-wage employment spreads, women's employment will increase, and women will be substituted for male workers because women can be paid less than men. This argument appears logical, but, in Canada's case, this is not what is occurring.⁶ The shift from male to female workers is not happening for several reasons. First, the structural changes in Canada are not producing an expansion in labour-intensive export-oriented industries as has occurred in other countries where women's employment has expanded. Secondly, the reduction in labour costs in general means that, in typically male industries, the cost advantage of hiring women over men appears not to be significant enough to change the gender-typing of jobs. In Canada, there is a fairly dramatic occupational and industrial segregation by gender, and the cost advantage of hiring women over men in areas normally reserved for men would need to be fairly large to change these rigidities. Thirdly, the industries where males are employed have experienced particularly high rates of unemployment and since these labour forces are not expanding, the possibility of women being hired simply does not exist.

The three major changes in women's employment appear to be in the reduction in their labour force participation rate, an acceleration of non-standard forms of work, and noticeable declines in jobs in the manufacturing sector. Throughout this century, women's participation rates have increased steadily and amounted to about one percent per year from the 1960s. But this began to change in the 1990s, and between 1991 and 1992 the participation rate dropped one percent.⁷ It is not possible to know yet if this is a trend, but because of the extraordinary pressures on women's work in the manufacturing sector and slower growth in the service sector, it certainly appears as though this is more than a phenomenon associated with a recession.⁸ The manufacturing sector is the site of the most dramatic changes for women's employment: since the FTA went into effect women's employment in this sector has dropped 16.5 percent.⁹ The biggest losses, in terms of the number of jobs, were in the clothing and electrical products industries, although the percentage losses were highest in industries that were more typically employers of males, such as in primary metals, furniture, and leather. In the manufacturing sector, women are not

replacing males in any industries, even in those industries where males are a small proportion of the workplace. The best example is the clothing industry. This is an industry which, more than any other manufacturing industry, is "feminized," and has been so for most of the century. As restructuring occurs, both men and women have lost jobs. For women this is more devastating because the clothing industry is the second largest employer of women in this sector (the food and beverage industry employs more), while these jobs for men are few and relatively insignificant to total male employment in manufacturing.

Restructuring has produced a dramatic rise in non-standard forms of work. Particularly significant has been the rise of part-time and temporary employment. While Canada lost 453,000 full-time jobs between 1990 and 1992, 126,000 part-time jobs were created. In 1992 alone, there were 125,000 fewer full-time jobs for women; at the same time, there were 69,000 more part-time jobs. (Women account for 71 percent of all part-time workers.)¹⁰ But also, there appears to be a reversion, in some cases, to older forms of work organization such as contracting-out and home work. Even traditionally standard work for women, like nursing, is increasingly organized through contract agency work and is more likely to take the form of temporary or part-time employment. But older forms of home work are also making a comeback. Particularly significant here is the increased employment of live-in domestic workers and work for the garment industry that occurs in the home."

Implications for Democracy

One of the leading neo-conservative economists in Canada expressed what he felt was the major benefit from free trade: "A trade deal simply limits the extent to which the U.S. or other signatory government may respond to pressure from their citizens."³ This may be good news indeed for the business sector, but it is disturbing for those who thought that the essence of democracy was a state that responded to pressure from the people. The FTA was enacted in Canada in a way that set this legislation above all other laws, including legislation enacted in the past, as well as that which governments may wish to enact in the future (including provincial and municipal governments). The U.S. legislation implementing free trade did not elevate this law above all others. For them, it was just another piece of trade legislation that could be constrained by other American laws.

The supremacy of this law has profound implications for all Canadians. The most disturbing issue is what it means for participatory democracy and the rights of minorities. One of the most significant aspects of the women's movement, for example, has been the insistence that women and other minorities have a voice in society and that the issues of these groups be part of the political agenda. One measure of this is the increased

representation of women and minorities in legislative bodies: in the last federal election, for example, more women were elected to the House of Commons than ever before. But despite the fact that disadvantaged groups may continue to have more formal representation in legislative bodies, real decision-making power will continue to elude us. This is because some of the most critical issues affecting people's lives will no longer be determined within the country itself by governments responsible to the people.

The kinds of changes which will occur in Canada will be dictated by trade agreements, not by the deliberations of people within the country about how they should live. Policies that are in place now were put there through a democratic process. Whenever anyone wanted to change these practices, some kind of public debate needed to take place. When any of these things changed, parliament was forced to deal with the interests of various people who would be affected by the changes. Now many of the ways in which we operate our economy and our social system can be challenged through international trade law. These are laws that are interpreted and enforced by people on a plethora of supranational panels who are not elected and who do not have to respond to people, since individuals within a country have no access to them. We can neither influence them nor can we determine who will hold these positions. Unless we establish another level of government at an international level, we will witness the de facto creation of a bureaucracy that will order our world. This will be a bureaucracy that has no political ties to any people.

This is not what I am advocating, however. In the abstract, creating a political force to deal with the international economic institutions that are being created has merit, but, in practice, it would not benefit a country like Canada. This is primarily because of the might of the United States and the very small influence Canada could ever have in any political institution of this sort.

Conclusions

Economic "restructuring" through free trade is ideologically driven by the interests of the international corporate class. The state, which in the past had to assume, at least in some degree, the role of balancing different needs of groups and regions, is relieved of this role. Canada is a great trading nation and should remain one: my argument is not one in support of isolationism and protectionism. But let me be clear. Free trade is not about trade liberalization. Rather, it is about establishing international rights for corporations to shift capital to wherever it is to their advantage, regardless of the consequences for the environment or for people. And because of the sweeping nature of these agreements, there will be little that governments will be able to do in the future to control these activities.

Notes

- 1 When free trade was first raised, 45 percent of the petroleum and natural gas industry; 40 percent of the mining and smelting industries; 50 percent of manufacturing sector and 26 percent of all other industries were owned or controlled by foreign (mostly U.S.) firms.
- 2 As a result of NAFTA alone (a 2,000-page document) 4,000 pieces of Canadian federal legislation must change.
- 3 Commercial considerations are defined as those "consistent With the normal business practices of privately held enterprises in the relevant business or industry."
- 4 Other types of government initiatives could be challenged, such as public investment funds. These now exist in the province of Quebec and are viewed with interest elsewhere because of the impact they have had on stimulating investment in that province. No new fund could have goals which (a) focussed on regional development, (b) favoured national or provincial-based business, or (c) promoted local employment, as the currently established funds do.
- 5 As a result of a similar clause in the FTA, the Ontario government was discouraged from instituting a provincial auto insurance program.
- 6 Article 1201: 3(d) says "Nothing in this chapter shall be construed to prevent a Party from providing a service or performing a function, such as law enforcement, correctional services, income security or insurance, social security or insurance, social welfare, public education, public training, health and child care, in a manner that is not inconsistent with this chapter."
- 7 This does not apply only to whole programs that are privatized, but to any part of public services that are contracted out as well. Once a service has been opened up to tendering and given out, then a decision to bring this service "in house" would be subject to the same challenge as a new program.
- 8 This is calculated on the average quantity of exports over the previous thirty-six months.
- 9 The United States agreed to this because of implications for future signatories to the agreement who are OPEC countries (specifically Venezuela). No OPEC country could be part of an agreement on such terms.
- 10 FTA, Chapters Four and Nine; NAFTA Chapters Three and Six.
- 11 Export quotas are allowed in GATT in order to prevent temporary shortages of essential products (Article XI: 2(a)); to conserve exhaustible natural resources (Article XX(g)1; to ensure that essential inputs are available for a domestic processing industry [Article XX(i)], and to ensure an equitable distribution of products in short supply [Article XX(j)].
- 12 In a letter to Representative Edward J. Mackey of Massachusetts, dated November 13, 1993, President Clinton indicated the significance the United States places on the energy provisions in NAFTA and the refusal of the United States to change the agreement: "I have made it clear that, while the United States and Canada have an ongoing dialogue on trade matters, we will not weaken or renegotiate any energy provisions of the CFTA or the NAFTA. Specifically we will not allow the Canadians to opt out of the 'proportionality clause' (or to limit its coverage solely to oil) which they agreed to in the CFTA and which was included in the NAFTA: A under paragraph (a) of Article 605."

- 13 These are the Trade-Related Aspects of Intellectual Property Rights (TRIPs) included in the Draft Final Act tabled by GATT Director General Arthur Dunkel on December 20, 1991.
- 14 NAFTA makes it easier for patent holders to provide "imprpved" versions of existing drugs, which would extend the life of their patent protection.
- 15 In 1991 alone, Canadians saved between 5413 and 5426 million in pharmaceutical costs. (Ecumenical Coalition for Economic justice, *Intellectual Property Rights in NAFTA: Implications for Health Care and Industrial Policy in Ontario*, October 1993.)
- 16 TRIPS Article 65.
- 17 In the Dallas draft of NAFTA (February 21, 1992) Mexico proposed excluding from patentability "plant species and animal species and varieties; biological material such as is found in nature; genetic material; and inventions relating to living matter that comprise the human body."
- 13 NAFTA Article 1709:3.
- 19 The latest Angus Reid-Southam News poll shows that 63 percent of Canadians were against NAFTA. Only four percent of those questioned for the survey felt Canada would benefit from the agreement.(The *Toronto Star*, November 30,1993).
- 20 Canada's official unemployment rate is 11.3 percent, while unemployment in the U.S. is at 6.7 percent.
- 21 Bruce Campbell, *"Free Trade": Destroyer of Jobs* (Ottawa, Canadian Centre for Policy Alternatives, 1993), p. 8.
- 22 For example, those eliminated include the family allowance and cooperative housing programs; other social housing programs have been severely reduced; unemployment insurance has been redesigned to provide coverage for fewer people at lower levels of benefits; the benefits of old age pensions have been reduced; and international aid is a lower proportion of GDP than it was fifteen years ago. The focus on controlling the growing debt has also affected the delivery of other types of services through privatization and deregulation of transportation, postal, and communication systems and by shifting the burden of social welfare from the federal to the provincial governments.
- 23 The issue was first raised as a serious policy objective in the *Report of the Royal Commission on the Economic Union and Development Prospects for Canada (Ottawa: 1983)*.
- 24 These industries included textiles, clothing, footwear, food processing, and electronics products. The Canadian tariffs in some of these industries were between 10 and 25 percent, while the U.S. tariffs were about half of those in Canada. It was clear that the impact of tariff removal would be much more devastating in Canada and would not give Canadian industries greater access to the U.S. market.
- 25 The best single example of this analysis is Guy Standing, "Global Feminization through Flexible Labor," *World Development*, *17*, 7 (1988), pp. 1077-1095.
- 26 Women hold 45 percent of all jobs in Canada, and normally about 59 percent of the adult women in Canada work, although this participation rate has dropped to 57.4 percent recently.
- 27 Male rates have also dropped, but this has been more consistent with the trend for male participation rates to decrease slowly since the 1940s. Forty-five per cent of adult women in Canada are in the labour force compared with 73.5 percent of adult men.

- 23 In previous recession periods, women's labour force participation rates have increased. This occurred even in the worst depression of the 1930s. Women entered the labour force in increasing numbers during recessions because reductions in household incomes resulting from male unemployment forced them to look for work.
- 29 Male job losses of 15.1 percent were also substantial during this period (Statistics Canada, unpublished data. Ref \4R92010; K93022).
- 30 Pat Armstrong, "The Feminization of the Labour Force: Harmonizing Down in a Global Economy," paper presented to the North-South Institute conference on Structural Change and Gender Relations in the Era of Globalization, September 30, 1993, Toronto.
- 31 Belinda Leach, : "'Flexible' Work, Precarious Future: Some Lessons for the Canadian Clothing Industry." *Canadian Review of Sociology and Anthropology* 30,1 (1993), pp. 64-82.
- 32 This remark was made by Michael Walker of the Fraser Institute, cited by John Calvert, *Pandora's Box: Corporate Power Free Dade and Canadian Education* (Toronto: Our Schools, Our Selves. 1993), p. 158.