

*Government Orders*

For years employment equity has been at work within the public service. It will be difficult or impossible to introduce it at the moment because the government is cutting jobs and has a hiring freeze in place. Public service employees declared surplus have ironclad job security which guarantees them another reasonable job offer within the public service.

Admittedly men still account for more than 50 per cent of public servants and this is also reflected in the executive ranks. Most of the top managers within the bureaucracy were hired 25 years ago when government was growing. The bureaucracy still reflects a nation of a quarter century ago. For those same 25 years women have been entering the workplace with roughly the same educational credentials and the same job aspirations as men.

In the private sector women have successfully moved into every profession: medicine, law, accounting, advertising, banking. Progress has been impressive. Why? The world has changed for women. Gender alone is no longer a very big influence on opportunity and life. Education and ability count for far more. Unquestionably racism and sexism do exist but discrimination alone does not explain the vastly unequal outcomes in life for different groups of people.

Government and Canadians have an obligation to open doors for the disadvantaged but they are not always who we think they are. This matter is more complex than simply passing laws or imposing quotas. Current data and statistics are not enough. With the reduction in the public service the new laws will not radically affect or change the face of the current bureaucracy. Most of the data and conclusions are taken from self-identification surveys which are to identify women, disabled, aboriginal peoples and visible minorities, but the accuracy of these data is at best questionable.

Many individuals do not perceive themselves to be disadvantaged or do not wish to admit it. Employer specific surveys do not reflect information accurately. In many cases people do not view themselves as disadvantaged unless specifically required to address the issue but are protected with anonymity such as in national surveys.

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The 1992-93 report on employment equity in the public service states the number of visible minority employees may be underidentified by one and a half times. The number of disabled may be underidentified by two and a half times.

With distorted data, conclusions based on the underidentification of designated groups means there may be already higher numbers of disadvantaged people in the workforce. Alternately there is an incentive to falsify self-identification surveys based on perceived advantages of being considered disadvantaged. For example, a 1994 annual report on the Employment Equity Act

noted that as of 1991 nearly 2.3 million Canadians reported having a disability, an increase of 30 per cent over 1986 surveys.

Due to fiscal constraints the government will be using employment equity figures from the 1991 census until the year 2003. How reliable are these figures? Statistics Canada acknowledges that in 1991, 10 per cent of the aboriginal population was not even enumerated. Only 3 per cent of Canadians reported their ethnic/cultural origin as Canadian.

The existing Employment Equity Act calls for a comprehensive review every three years. The last review was in 1992, but the mandatory review for this year has not been undertaken. Basically the government is moving ahead with new legislation without having the benefit of this review.

Since Canada has a shrinking bureaucracy there will be little direct impact on government but there will be an impact on businesses with over 100 employees who wish to conduct business with the federal government. What does that mean for them? No comprehensive study has been done in Canada on that outcome.

To quote the Reform minority report on employment equity, the American magazine *Forbes* is the only source which has attempted to calculate the costs of affirmative action. It cited that the cost for regulation and compliance alone stood at \$17 billion to \$209 billion annually. It verified that U.S. affirmative action costs were \$113 billion per year since 1980, or 4 per cent of the GDP.

In 1992 the Conference Board of Canada defined small, medium and large businesses and gave the annual average cost of employment equity for each category. Due to the lack of comprehensive studies in Canada, Reform took these figures, with the assistance of the Library of Parliament, to cover businesses across the nation. If all Canadian businesses were subject to equity legislation which was in place in Ontario, where firms with more than 50 employees were asked to have an employment equity plan, the total annual direct costs would be \$1,035,223,000.

These direct costs exclude compliance, opportunity and other indirect costs. The *Forbes* study showed that total costs were six times the direct costs. Based on this, the cost to Canadian business would reach \$6.5 billion per annum, nearly 1 per cent of our GDP. The Library of Parliament has confirmed in writing the reasonableness of our figures.

In essence this is another costly tax on business. The government's debt and deficit are already choking our economy. Taxpayers are unable to sustain even more expense, be it direct or indirect. The department of public works is already implementing a strategic procurement initiative which applies to all government departments and grants preference to aboriginal businesses bidding on federal contracts up to \$2 million.