

Opinion: Where there is too much, something is missing ^[1]

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EXCERPTS

When I was an economics student many years ago, the last living student of John Maynard Keynes and noted economist Joan Robinson gave a lecture to a packed hall. During the question period, one smart aleck student asked, "Why should anyone study economics?" After a prolonged pause, her answer was simple, "So you know when economists are not telling you the truth."

For Finance Minister Bill Morneau, the recent federal budget's central message is that "equality is good for business and the economy." Yet when it comes to poverty and inequality, "It's déjà vu all over again" to invoke Yogi Berra. What stands out is what is missing.

The Federal Government promised to release its National Poverty Reduction Strategy in 2018. The truth of the matter is while the 2018 budget revisits issues of poverty reduction, health and well-being, it makes no provision for implementing the as yet unannounced National Strategy.

Canada Without Poverty argues that this budget "fails to provide urgent and necessary solutions for the 4.8 million people in Canada living in poverty." Citizens for Public Justice describes this as a "gender-based budget with little ambition." How can we be more ambitious?

Not everyone has shared the benefits of our economic good times. Those in precarious and low-wage employment remain vulnerable to income insecurity. Many people are one job loss, one illness, one retirement or one calamity away from similar insecurity. When it happens, they find that Canada's social safety net is too often inadequate.

Income security is central to addressing inequality and poverty. We are in the midst of significant economic changes. The World Economic Forum's Klaus Schwab calls it, "The Fourth Industrial Revolution." A guaranteed adequate basic income, for example, would safeguard the economic security of Canadians in this economic turbulence.

In 1966 we had the Canada Assistance Plan that recognized the shared government responsibility for adequate assistance to all persons based on need. That idea is back with a twist. Basic income pilot projects are underway in a dozen jurisdictions around the world including Ontario. The Canadian Centre for Policy Alternatives' Alternative Federal Budget 2018 offers recommendations to reduce poverty by 50 per cent in the next three years and to ensure every person in Canada has an income that reaches 75 per cent of the poverty line.

The government quite rightly wants greater equality for women and to remove systemic barriers to their full economic participation. Current research is unequivocal. The Economist confirms that "the increase in female employment in the rich world has been the main driving force of growth in the past couple of decades. Those women have contributed more to global GDP growth than have either new technology or the new giants, China and India." Fight for \$15 and Fairness makes it clear that decent work is a woman's issue. Fair employment at a living wage is an important means for those excluded to build a future and make a social contribution.

Yet, the greatest systematic barrier to women's employment participation is access to affordable child care. Morna Ballantyne of Child Care Now points out, the government in this budget has ignored "the solid evidence that the lack of access to affordable child care is the major barrier to women's equal participation in the labour force." According to the International Monetary Fund, Canada can afford to spend \$8 billion annually on child care — 10 times what the Liberals have promised to spend over the next decade. Increased economic growth and the additional tax revenues would mean the program would pay for itself.

Surely in a wealthy country like Canada, a more ambitious budget to address poverty could offer bolder ideas about income security and access to affordable child care. This budget does move in some positive directions. However, if we are to do the right thing, it will cost us all more. It may even mean increasing our taxes. Of course, that will bring out the regular cast of political and business naysayers.

In those moments, we would do well to remember Joan Robinson's advice. For as an old Middle Eastern proverb wisely points out, "Where there is too much, something is missing."

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