

Manitoba needs to spend more to heal from pandemic-impaired economy^[1]

Government should reverse pre-pandemic austerity, Canadian Centre for Policy Alternatives director says

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EXCERPTS

The depth and duration of the COVID-19 recession in Manitoba will depend on what the provincial government does in its new budget. They could choose to reverse pre-pandemic austerity and inequities created by the pandemic by investing in social infrastructure and green jobs.

Unfortunately, all signs point to this government's actions entrenching inequality and dangerously delaying climate action.

Manitoba suffered the second-worst coronavirus death rate in Canada during the second wave. Austerity measures introduced before and early in the pandemic slowed Manitoba's response to COVID-19, according to a new paper published by the Canadian Centre for Policy Alternatives, COVID-19, Austerity and an Alternative Economic Path for Manitoba, by Jesse Hajer and Lynne Fernandez.

Health and education make up the majority of provincial spending. Prior to COVID-19, health care was centralized and overhauled. Programs and community clinics were shut down and funding was cut approximately three per cent in inflation adjusted terms, leading to unfilled front-line staffing positions and worker burnout.

Manitoba's problems during the second wave were likely magnified due to these cuts and a system focused on large hospitals, instead of investing in local health community services, personal care homes, community nursing and family doctors.

Support those made vulnerable by the pandemic

- Molly McCracken

The epicentre of COVID-19 in Manitoba has been long-term care.

Despite long-term care workers' unions raising concerns about short-staffing for years, understaffing and a lack of preparedness at some privately run homes impacted the ability to manage the pandemic. Home-care workers in Manitoba were brought into long-term care as an emergency measure, risking spread back to home-care clients.

Education is now the focus of the province's centralization efforts, with the release of the "Better Education Starts Today" plan.

For the past five years, kindergarten to Grade 12 education has been funded below the rate of inflation. The new Bill 64 eliminates school boards, which removes local democratic oversight of education. This leaves the system vulnerable to further cutbacks, growth in private charter schools and even tuition for public education.

The province's April Fool's day news conference, complete with a wooden kitchen table at the legislature, was unfortunately not a joke.

Taxes

The province announced its mechanism to remove school taxes from property taxes.

Notably, seven out of 10 provinces collect education property tax provincially to fund education, yet Manitoba plans to eliminate this \$1-billion revenue source over 10 years. This will result in cuts to cover this revenue shortfall.

Combined with the PST cut, we believe the province will have less money to support the most vulnerable with social housing and adequate income, mental health and addictions support.

Hajer and Fernandez's report says public funding during the pandemic was targeted, where possible, to private for-profit operators. Examples include contract tracing, COVID-19 testing, supports for health-care workers, expanded mental health supports, child care, massive spending in private operating and capital to create personal protective equipment, and a call centre for businesses.

The public and non-profit sectors have been largely abandoned.

In budget 2021, the provincial government must act in areas of provincial jurisdiction to support those made vulnerable by the pandemic, most notably long-term care, child care, health and education.

Invest heavily

In fact, Manitoba budget 2021 should invest heavily in long-term care and home care, match federal dollars and encourage publicly managed long-term care facilities; this is, in our opinion, a proven safer model.

COVID-19 is a turning point

- Molly McCracken

Budget 2021 should end the five-year operating funding freeze for child-care centres, the promotion of private for-profit child care and reliance on the Winnipeg and Manitoba Chambers of Commerce to deliver child-care programs. Manitoba's system works well according to national studies, and the province should support it with a substantial funding increase for non-profit providers to make up for rising costs.

Child care and long-term care, which employ mainly women and workers who are Black, Indigenous and people of colour, are essential to allow people who care for others to get to work. Adequate funding in these areas in budget 2021 could aid in the post-pandemic recovery by creating decent jobs and providing social infrastructure to enable people to work.

Now is the time for Manitoba to invest, in order to lessen the unequal impacts of the pandemic recession. At a time of economic crisis, Nobel Prize-winning economists and the International Monetary Fund say governments must borrow to stimulate the economy.

Jump-start economy

When businesses are cautious, governments can jump-start the economy and invest in people and our long-term productivity at the same time. The resulting growth pays down the deficit.

Manitoba should halt all tax cuts, and borrow at historically low interest rates to invest, so that we can get out from under the weight of the pandemic sooner.

COVID-19 is a turning point. We need strong public policy to reverse growing inequality and invest in social infrastructure, climate action and our shared well-being. This is insurance for the future, to protect us and the public purse against future emergencies, be they pandemics, floods, storms or climate change.

Region: Manitoba ^[3]

Tags: budget ^[4]

COVID-19 ^[5]

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