

Inequality of income, opportunity must be addressed ^[1]

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EXCERPTS:

Recent national polls have found that more than three-quarters of Canadians believe income inequality is a problem in Canada.

I introduced a private member's motion (M-315) in Parliament this spring which asks the Finance Committee to undertake a study on income inequality in the country. I believe that income inequality and the growing inequality of opportunity have become significant threats to Canada's economy and society.

MPs shouldn't make this a right- or left-wing issue. Mark Cameron, a Conservative and former director of policy for Stephen Harper, said income inequality should concern not only social democrats or liberals, but also conservatives who are concerned about maintaining public support for free markets and limited government.

American Nobel Prize-winning economist Joe Stiglitz says "growing inequality is the flip side of something else: shrinking opportunity."

Inequality is growing faster in Canada than in the United States. Several Canadian economic voices - including the Conference Board of Canada, Rotman School of Business dean Roger Martin, and Bank of Canada Governor Mark Carney - have warned inequality could limit economic growth and threaten sustainable prosperity in Canada.

While inequality can be very bad for society, it can also be bad for business as it has a great economic cost. The real threat to the economy and to society is when income inequality becomes so great that it starts to threaten equality of opportunity.

All Canadians benefit from good public education and good public health care, and those essential foundation blocks of equality of opportunity are key to why we are doing better in Canada than in other countries.

There are several areas where public policy can help.

We can reform Canada's tax and transfer system to reduce the burden on low-income Canadians and help boost people over the welfare wall.

Ottawa could work more closely with the provinces on a national learning agenda.

Improved access to early learning and child care could help all children, regardless of family income, get a good start.

Canadians need more support for life-long learning, with an increased focus on trades to help them adapt to and train for the jobs of today and tomorrow.

Finally, aboriginal and First Nations communities have the fastest growing and youngest population in Canada. They are also Canada's most economically disadvantaged and socially disenfranchised. If that issue is not tackled today, then it will become a demographic and economic time bomb. We have a responsibility and a vested interest to narrow and eliminate the gap between aboriginal and non-aboriginal Canadians.

The motion I introduced simply asks that the House of Commons direct the Finance Committee to study income inequality.

Then we can engage the business community, which is dealing with issues like retirement security. We can engage the NGO community, and everyone from food banks to faith-based groups who are helping low-income Canadians. We can examine what the provinces are doing and what governments in other countries may be doing better. We can learn from that kind of study.

A study won't fix the problem. But as a start, we need to understand it and then move toward building public policy that will address income inequality.

Canada should be a country where you have the hope of a better life for your family, for your children, your grandchildren, and your neighbours' children and grandchildren.

Looking out for the other guy isn't just good for the soul. It's good for business. The long-term social costs of inequality and loss of opportunity are far more costly than the measures to address it.

Finally, business should be concerned that the public could lose faith in a market-based economy if they no longer have hope for economic and social success. When people lose faith in the system, they can be drawn to class warfare, and to politicians offering economically dangerous, anti-market policies.

Now, that could be really bad for business.

-reprinted from the Chronicle Herald

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