

What kind of Canada do we want? ^[1]

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EXCERPTS:

Canada is in the process of destroying decades of progress. We are developing limited, American-style access to social programs, our employment insurance system is being slowly starved to death, tuition fees are skyrocketing - all in the name of "austerity."

Is this the kind of Canada we want to leave to future generations?

Inequality has increased substantially in recent years. Our national income is rising, yet it mainly benefits the top 1 per cent of Canadians, to the detriment of middle-class families whose incomes have stagnated. And far too many Canadians still live in poverty - and even more are unemployed or underemployed.

On Tuesday the Broadbent Institute released *Towards a More Equal Canada*, a major discussion paper on income inequality in Canada. Drafted in consultation with some of Canada's leading thinkers and policy experts, I want to help stimulate a serious national discussion on extreme income inequality - and what we can do about it.

A substantial majority of Canadians want our governments to take action on income inequality. A Broadbent Institute-commissioned poll by Environics found that Canadians widely agree: we are facing a serious and growing problem. A large majority of Canadians - including a majority of Conservative voters - are willing to pay higher taxes to protect our social programs.

Extreme economic inequality undermines basic human rights and diminishes the quality of our democracy. Our children will not have equality of opportunity if fundamental public goods like higher education and child care are only delivered on the basis of who can afford them and if we continue to only pay lip service to eliminating child poverty.

So how do we challenge inequality? How do we move toward a more equal Canada?

Values matter. Democratic politics is about choosing what kind of society we want to live in. There is no single answer to income inequality, but there are solutions to reduce the problem if we demand leadership from our political representatives.

It is essential that the federal government shows leadership. The federal government controls many of the key levers - income security programs, a progressive income tax system, and transfers to the provinces - that we need to combat inequality.

Canadians should demand action.

We can challenge inequality by promoting good, middle-class jobs. Moreover, we must also invest in the skills of all Canadians, including through early childhood and post-secondary education, and ensure that workers have access to the legal protections and potential benefits of union membership.

We can challenge inequality by upgrading federal support programs like Employment Insurance and tax credits for the working poor, many of which have not kept pace with increases in low-paid and precariously employed Canadian workers. We should seriously debate the concept of a Guaranteed Basic Income that ensures a minimum level of economic security for all, just as we now do for seniors through the Guaranteed Income Supplement.

We can challenge inequality by building accessible and affordable public services which benefit all Canadians while reducing reliance on market income.

Public services are the greatest deal the great majority of Canadians are ever going to get. The value of education, health and child care, and other public services far outweighs the income taxes paid by middle-class and low-income Canadians.

We can challenge inequality by making major changes to our tax system. In recent years, as the divide between the 1 per cent and everyone else grew, many of our political leaders turned "taxes" into a bad word. Tax cuts have put the squeeze on services we already have, and make it difficult to discuss expanding the social programs we need despite overwhelming evidence of their cost efficiency.

Progressive income taxes raise the money we need to pay for social programs. This more equal proposal limits the difference between after-tax incomes, and means that we can fairly share the costs of public programs.

In the past, when we were faced with major challenges, Canadians found the collective will to make major changes to our social and economic arrangements through our democratic system of government.

The current rise of extreme income inequality must now compel us to rebalance our priorities. What kind of Canada do we want to live in? What kind of Canada do we want to leave to the next generation?

We must rebalance our priorities. Practical change is possible.

Let's get on with it.

-reprinted from the Toronto Star

Related link: Towards a more equal Canada: A report on Canada's economic & social inequality ^[2]

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