Creating a New, Healthy Economy for People and the Planet

The Council of Canadians calls for a healthy economy, one that meets the needs of people and the planet, rather than the 1 per cent.

Our organization was formed in the fight against so-called “free trade,” which has cost us many good jobs. Since the North American Free Trade Agreement was signed, we have seen the loss of well over half a million manufacturing jobs in Canada, the net loss of 1 million jobs in the United States, and the displacement of millions of Mexican farmers. Employment trends show a growth in part-time, precarious jobs, with the quality of employment in Canada now at a 25-year low. This means there is less job security and fewer benefits for more and more people. We oppose the “next generation” of trade agreements – the Canada–European Union Comprehensive Economic and Trade Agreement and the Trans-Pacific Partnership – and support a comprehensive strategy that would give precarious workers greater access to social support mechanisms and basic labour standards.

The Council of Canadians has always been a strong supporter of the public ownership of public services. We
argue that public services, like water and wastewater infrastructure and even airports, should not be privatized to be run by for-profit corporations. We have also made the case against the Trudeau government’s support of “asset recycling,” whereby major public assets would be made available to public pension investors (and likely others) as a way to fund new public (but not necessarily publicly owned) infrastructure. We believe that public services are most efficiently operated on a publicly owned and democratically accountable basis.

More recently, we have endorsed the Leap Manifesto, which includes a vision for a healthy economy. Among its demands, the manifesto highlights the need for a 100 per cent clean economy by 2050, public support for clean energy projects developed by Indigenous peoples and other frontline communities, a universal program to build and retrofit energy-efficient housing, a more localized and ecologically based agricultural system, immigration status and full protection for all workers, the expansion of low-carbon sectors including caregiving, teaching, social work, the arts and public-interest media, higher income taxes for corporations and wealthy people, and an end to fossil fuel subsidies.

On the climate front, we back the call by the Canadian Labour Congress (CLC) for the creation of one million climate jobs. Those jobs could be created through investments in clean renewable energy, green buildings, public transit and higher speed rail transport. We have made the point that the average renewable energy investment creates four times as many jobs as the same investment in the fossil fuel economy.

That same argument has also been made in other areas of social policy. Author and journalist Rutger Bregman has written, “Think about it: every [dollar] invested in a homeless person returns triple or more in savings on care, police and court costs. Just imagine what the eradication of child poverty might achieve. Solving these kinds of problems is a whole lot more efficient than ‘managing’ them.” More broadly, Statistics Canada has reported that if 80 per cent of Canadians were as healthy as the top 20 per cent of income earners in Canada, there would be 40,000 fewer deaths per year. But instead of moving towards greater equality in this country, the richest 86 individuals and families in Canada have now accumulated as much wealth as the country’s poorest 11.4 million people. Fifteen years ago, the richest 86 had as much money as the poorest 10.1 million people.

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Unionization also helps the economy. The CLC has noted that, “On average, unionized workers across Canada earned $5.28/hour more than non-union workers. Women with unions earned more too ($7.10/hour more) and got paid more fairly. Workers under age 25 earned an extra 27 per cent from jobs covered by a collective agreement. Workers in unions are an important part of the local community and economy because that’s where they spend their paycheques. Their incomes support local businesses (who create local jobs) and bolster the local tax base, which supports public works and community services that add to everyone’s quality of life.”

A healthy economy would also require fair taxation. It has been estimated that Canadian corporations have as much as $199 billion in offshore accounts (in countries like Panama, Barbados, the Cayman Islands and Luxembourg) as a way to avoid paying their fair share of taxes. Canadians for Tax Fairness estimates that federal and provincial governments lose $7.8 billion in tax revenue because of this. The figure could actually be as high as $20 billion a year. To put those numbers in context, it would cost just $4.7 billion over a 10-year period to provide clean drinking water and sanitation for First Nations peoples in Canada.

We also believe a new economy should include a higher basic minimum wage. Economists Jim Stanford and Jordan Brennan have written, “Claims that higher minimum wages will inevitably cause measurable negative consequences (especially for young workers and those in low-wage industries) are not consistent with empirical evidence from the Canadian provinces. Minimum wage regulations do not have important consequences on employment outcomes in either direction. Not surprisingly, employment outcomes depend first and foremost on the overall level of spending and macroeconomic activity.” They also argue that a higher minimum wage equips more individuals with greater purchasing power.

The current economy is failing to create secure, well-paying jobs with adequate benefits. The fossil fuel industry, supported by trade agreements, government subsidies, and the bottom-line imperative of profit, is moving us towards an environmental catastrophe of global proportions. Low wages, the concentration of wealth and the lack of tax justice are creating deepening inequalities and denying the revenue needed to invest in the social programs that benefit society as a whole. But there are alternatives. Public services, fair trade, climate jobs, greater unionization, social investments, a $15 minimum wage and fair taxation could help us take important steps towards a new, healthy economy.

The Council of Canadians discussed these issues and more at Groundswell 2016: ‘Toward a healthy economy for people and the planet’, our annual conference which was held in St. John’s, Newfoundland and Labrador, October 14-16.

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