

Growth: a question of means, not ends



The Government has put short-term economic growth at the centre of its policy priorities. Sustainable growth, however, requires public investments in human capital to ensure that short-term growth doesn't come at the cost of long-term environmental devastation. The environment is already suffering degradation due to lack of policies, and currently, women's and minorities' rights are being eroded – violence against women varies across different groups and regions, and Aboriginal women are disproportionately subject to violence. Civil society organizations have presented a broad range of public policy alternatives that provide practical, sustainable means for achieving well-being for everyone living in the country.

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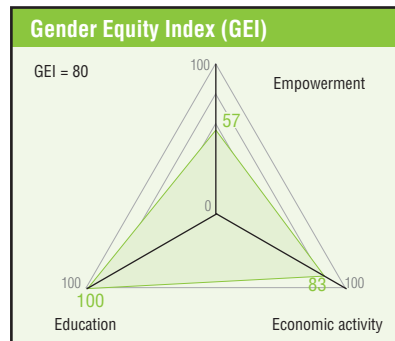
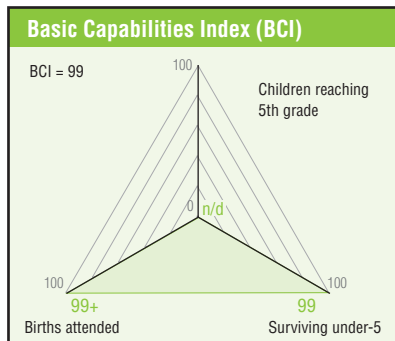
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As Canada takes unsteady steps out of recession, President Stephen Harper's Government continues to institute neo-liberal economic policies, including lowering tax rates, decreasing the deficit, and investing in physical infrastructure projects. Even within a neo-liberal framework, the results have been mixed. Job creation has not kept pace with the growth in the working population, nor has there been significant growth in permanent employment.¹ Personal income tax cuts and credits have disproportionately been extended to high-income earners, delivering the most financial support to those who need it least. The decline in corporate tax rates has not yielded increased investments in equipment and infrastructure.² As spending on social programmes falls behind the rate of inflation, spending on the military and the prison system is set to increase significantly, in spite of a largely static crime rate and the scheduled drawdown of Canada's major military engagement in Afghanistan.

The Harper Government has put short-term economic growth at the centre of its public policy priorities. Any growth is deemed good growth. However, sustainable growth requires public investments in human capital development – from childcare to life-long-learning; it requires investments in research and policy development; it requires proactive public measures to ensure that short-term growth doesn't come at the cost of long-term environmental devastation. Civil society organizations in Canada have come together to present a broad range of public policy alternatives, recognizing the constraints of the economic crisis and offering practical, sustainable means for achieving well-being for everyone living in Canada. Examples include: the Canadian Centre for Policy Alternative's annual *Alternative Federal Budget* project, which draws on a wide body of expertise in order to provide cost-effective policy alternatives for



public expenditure; the formation of a broad coalition of organizations called Voices, to document the diminished space for democratic debate in Canada and to provide new forums for that debate; the Canadian Council for International Development's call for a "new deal" between the Government and civil society organizations;³ and the collaboration of scholars and women's organizations to provide a gendered analysis of public spending priorities.⁴ In spite of evidence that organizations with a strong public policy advocacy agenda risk losing their federal funding, Canadian civil society continues to produce critical and innovative public policy that puts human and environmental well-being at the centre of their models of progress.

Inequality

As a result of tax cuts, the Government will have lost CAD 96.6 billion (USD 97.9 billion) in revenue between 2008 and 2011.⁵ As the economic stimulus spending programme wraps up, the Canadian Centre for Policy Alternatives projects a USD 3.8 billion decline in federal programme spending in 2011-2012, "the second biggest spending decline (in US dollars) since the 1950s."⁶ This will likely continue a pattern of federal spending cuts on social programmes that began in the mid 1990s.⁷ The Government's economic policy has had a significant impact on people's

well-being. Social assistance rates have remained virtually unchanged across most of Canada. Most social assistance incomes in the country remain well below the low income cut-off rate. While the overall poverty rate is 9%, poverty still disproportionately affects women, Aboriginal peoples, and people with disabilities. For example, one in three Aboriginal and racialized people in Canada live in poverty. One in four people with disabilities, immigrants, and female single-parents in Canada live in poverty. Across all categories rates of poverty are higher for women than for men.

Access to services is highly uneven – with those most affected by the economic crisis often receiving the least benefit from national economic policies. For example, in the education sector, access to primary education is counted among Canada's achievements, yet many children on First Nations reserves do not have access to safe schools.⁸ First Nations children are over-represented within the child welfare system and are far more likely to be affected by poverty and inadequate housing. However, First Nations students attending federally-funded schools on reserves receive USD 2,000 less per student per year than do students in the rest of Canada.⁹

Women's eroding rights

Economists have demonstrated that women are typically the shock absorbers in situations of economic crisis, as they take on greater burdens of unpaid work

1 Canadian Centre for Policy Alternatives, *Alternative Federal Budget: 2011*, (Ottawa: 2011), p. 11.

2 K.Howlett, "Corporate Tax Cuts Don't Spur Growth, Analysis Reveals as Election Pledges Fly," *The Globe and Mail*, (6 April 2011).

3 <www.ccic.ca>.

4 <www.fafia-afai.org>.

5 Canadian Centre for Policy Alternatives, *op cit.*, p.16, "Figure 9: Cost of Tax Cuts Since 2006."

6 *Ibid.*, p. 15.

7 See Canadian Feminist Alliance for International Action, *Canada's Commitment to Equality: A Gender Analysis of the Last Ten Federal Budgets (1995-2004)*, (Ottawa: 2005).

8 A. Rajekar and R. Mathilakath, *The Funding Requirement for First Nations Schools in Canada*, Office of the Parliamentary Budget Officer, (2009).

9 M. Mendelson, *Why We Need a First Nations Education Act*, Caledon Institute of Social Policy, (Ottawa: 2009).

and experience their status in the formal sector become more precarious.¹⁰ Women in Canada have been among the first to return to a post-recession labour force, but this early re-entry does not translate into increased well-being or increased economic stability, since returning women workers are more likely to be engaged in part-time and unpaid work.¹¹ Moreover, they continue to suffer from one of the largest gender wage gaps amongst OECD countries.¹²

Low wages and temporary employment result in fewer women than men qualifying for employment insurance or tax credits. Working mothers face additional challenges. Two-thirds of all mothers with children under the age of six do paid work.¹³ However, the Government cancelled a national childcare plan that would provide increased access for all working parents to safe, affordable childcare. For women who are not part of the paid workforce, the erosion of rights has been particularly acute, especially for those most likely to rely on welfare, including single mothers and Aboriginal women. Welfare incomes are so low that the Chair of the National Council of Welfare recently called them “shameful and morally unsustainable in a rich country.”¹⁴

Violence against women in Canada varies significantly across different groups and regions, with Aboriginal women being disproportionately subject to violence. More than 500 Aboriginal women in Canada have gone missing or been murdered over the last 40 years.¹⁵ Women living in remote communities in the North also experience higher rates of violence than their counterparts in urban and southern regions of Canada and have far less access to support services.¹⁶ With such high levels of gender-based violence, it is not surprising that there is increased support amongst women for policies that address violent crime. However the current Government’s “Truth in Sentencing Act” appears to address a problem that isn’t there, since sentencing rates have changed little over the past decade.¹⁷ The legislation will impact the economy more than sentencing practices. The Parliamentary Budget Office estimates that the Truth in Sentencing Act will double the cost of the penal system over five years – to USD 9.5 billion—and will require an additional USD 1.8 billion for the cost of constructing new prisons.¹⁸

In comparison to spending on social programmes, spending on the security sector is set to increase significantly. The Government’s own estimates indicate military spending will total USD 22 billion in 2010-2011.¹⁹ However, the estimates attached to spending on military equipment and new ‘tough on crime’ legislation has been highly contested. For example, estimates for the cost of the recently purchased F-35 fighter jets range from USD 9 billion, according to the Department of National Defence,²⁰ to USD 29 billion, according to the Parliamentary Budget Officer.²¹

Although Canada has committed to doubling its spending on development assistance in absolute dollars, Official Development Assistance (ODA) as a percentage of GNI has remained static since 2005 at 0.3%.²² The *Canadian Official Development Assistance Accountability Act* (2008) requires that Canadian development assistance “contribut[e] to poverty reduction, tak[e] into account the perspectives of the poor and [be] consistent with international human rights standards.”²³ Many civil society organizations see the Act as a very promising mechanism for integrating human rights concerns into international development policy and programming. However, a report from the Canadian Council for International Cooperation, a civil society coalition, suggests that there has been little or no Government implementation of the Act.²⁴

“Equality between women and men” and “environmental sustainability” remain cross-cutting themes for the Canadian International Development Agency; however, political, human and financial resources are being withdrawn from those objectives. The term “gender equality” has largely disappeared from official Government statements and policy documents.²⁵ Funding committed to gender equality-specific programming remains less than 2% of Canadian ODA.²⁶ At the 2010 meeting of the G8, the Harper Government committed 1.1 billion Can-

adian dollars in new spending for maternal and child health programmes in poor countries. Civil society organizations welcomed this commitment, but many criticized the decision not to fund abortion services under the initiative, even where such services are already legal in the country where the project would be implemented.

Environmental degradation

Canada’s record on environmental sustainability brought criticism from other countries during the 2009 UN Climate Change Conference in Copenhagen. Since then, Canada has actually lowered its emissions targets for 2020,²⁷ while its own greenhouse gas emissions are rising. Those living in northern Canada have seen a significant impact on their environment and their well-being. According to a 2011 report by the Penumbra Institute: “Canada’s Arctic has already experienced a warming of more than 1.7°C and an increase of 4 or 5°C is projected.²⁸ Inuit communities report the decline in access to their traditional sources of food and an overall degradation of their environment and well-being.²⁹ This degradation is further exacerbated in northern and rural regions by the mining and extractive industries. For example, residents of Baker Lake have documented the negative effects of expanding uranium mining activities on their community. Although water quality remains good across Canada, over 100 First Nations communities continue to live with inadequate access to safe drinking water.

Canada’s mining industry has a strong presence internationally as well as domestically. Canadian-based companies make up over 40% of the world’s extractive industry. Although Canadian civil society is playing a leading role in monitoring the industry through initiatives such as Publish What You Pay, the Kimberly Process and the International Conference on the Great Lakes Regional Certification Mechanism for conflict minerals, Canada has not yet agreed to adopt consumer protection regulations or to comply with the guidelines set by the Extractive Industries Transparency Initiative.

Economic stability, a question of means

The economic crisis has pushed civil society to renew its engagement with economic policy debates. Governmental and non-governmental actors alike are grappling with the question of how to achieve their goals within a constrained fiscal environment. But the question of how best to stimulate economic growth and ensure economic stability is a question of means, not ends. Ultimately, the focus must remain on the society being built by that growth. ■

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