

Standing Committee on Finance (FINA)

Pre-budget consultations 2012

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Responses

1. Economic Recovery and Growth

Given the current climate of federal and global fiscal restraint, what specific federal measures do you feel are needed for a sustained economic recovery and enhanced economic growth in Canada?

The OECD, World Bank, IMF, and EC have consistently identified a strong correlation between sex equality, economic growth, and economic stability. Given that Canada has provides the least support of all OECD countries for child care and early childhood education, and has been in the process of repealing or cancelling many other important supports for women's economic participation, the single most growth-enhancing step that could be taken at this point in time would be to fund an accessible and affordable national child care program and simultaneously enforce employment and contracting discrimination against women. Women's economic viability is essential to individual and household economic stability, well-being, and national economic growth. To fail to take this crucial set of steps is to cut Canada off from growth rates and patterns it has enjoyed before, and can easily enjoy again.

2. Job Creation

As Canadian companies face pressures resulting from such factors as uncertainty about the U.S. economic recovery, a sovereign debt crisis in Europe, and competition from a number of developed and developing countries, what specific federal actions do you believe should be taken to promote job creation in Canada, including that which occurs as a result of enhanced internal and international trade?

Canadian companies are stockpiling cash at unprecedented rates, and are being encouraged by measures such as unusually low corporate income tax rates, dividend tax credits, and R&D subsidies to hold onto their cash until easy opportunities come their way. The rate of corporate investment has remained low despite supposed economic recovery, and the reason is simply that so long as large after-tax retained earnings enable corporations to keep shareholders happy with gradually increasing dividend-tax-credit-bearing dividends, lack of innovative and growth-producing investments will not concern shareholders -- and thus will not concern Canadian corporations. This major factor is reinforced by lack of sex equal representation on corporate boards, CEOs, and line employees. Increased corporate income taxes will spur profit-seeking; employment tax credits will incentivize job creation; and strong workplace protections will secure job loyalty and employee development.

3. Demographic Change

What specific federal measures do you think should be implemented to help the country address the consequences of, and challenges associated with, the aging of the Canadian population and of skills shortages?

Eliminating barriers to continued employment and self-employment after age 65 should be a priority, but not at the expense of eliminating crucial low-income supports like the OAS and GIS. But at the same time, it is essential to engage youth in paid work and ensure that they also have opportunities that will not discriminate on the basis of sex, race, or other characteristics. These opportunities must include freeing young workers from the growing burden of student loans: no one in Canada should have to pay such a high tax on being allowed to join adult society. The current tax-transfer system is severely skewed in favour of high income taxpayers -- pension income splitting shifts nearly \$500 million in additional OAS and GIS benefits into the hands of the highest-income taxpayers, while youth, older

women, and those living in poverty desperately need that assistance.

4. Productivity

With labour market challenges arising in part as a result of the aging of Canada's population and an ongoing focus on the actions needed for competitiveness, what specific federal initiatives are needed in order to increase productivity in Canada?

Continued sex discrimination in all forms of economic relations has artificially denied nearly half the population of Canada -- women -- from access to the pools of capital, from management, innovation, self-employment, and scientific areas from which innovation and thus productivity most often are generated, and from political decision-making positions that could help equalize access to productive resources. At the same time, the continued emphasis on physical infrastructure spending and lack of social and developmental infrastructure spending has created a huge imbalance in the forms of innovation and development taking place in Canada. Wherever natural resource industries begin to dominate, male wages escalate, women's wages go down, women's opportunities, education, and child care resources go down, and sex discrimination emerges alongside increased rates of sex-related violence. Close examination of societies such as Sweden and Norway that have tackled these complex problems with far greater success than Canada provide excellent models for the forms of social and economic innovation that will enhance productivity.

5. Other Challenges

With some Canadian individuals, businesses and communities facing particular challenges at this time, in your view, who is facing the most challenges, what are the challenges that are being faced and what specific federal actions are needed to address these challenges?

Women, youth, Aboriginal persons, immigrants, and the disabled face the greatest challenges in Canadian society today. The biggest challenge is the growing rate of poverty in this rich country, the marked failure to develop the full capacities of all people in this country through effective human development programs, and the inability to perceive that literally generations of Canadians are being deprived equality of opportunity. This government's continued emphasis on GDP growth at the expense of all forms of health, education, social, and development programs threatens to leave Canada behind as other countries discover that the overall quality of human life is all that really counts -- including the quality of the environment, the stability of economic opportunities, and the guarantee of access for all.