

Income inequality

The gap between the rich and the rest of us has been on the rise in Canada and around the world. Wealth is concentrated in the hands of the very few, while the rest of us face mounting financial insecurity. The BDO Canada Affordability Index found that, in 2019, over half (53%) of Canadians are living paycheque to paycheque, and 27% don't have enough for their daily needs. At the same time Canada's [87 wealthiest families now have the same amount of wealth as the 12 million Canadians](#) with the lowest incomes.

Income inequality has become even worse as a result of the COVID-19 pandemic. At the same time millions of Canadians are struggling to get by, many large corporations saw better-than-expected profits.

This is no time for austerity measures. People will still need assistance as we recover from the pandemic. But governments can do better than not making things worse. Governments can and should be making Canada a fairer and more equal place.

Building a more equal Canada starts with ensuring people get the supports and public services they need to living fulfilling lives. It includes strengthening labour rights and economic strategies that are more than just an excuse to hand out tax breaks to corporations. And to have greater equality we need a tax system where large corporations and the wealthy pay their fair share.

This election is a time to choose the path we are on – one that supports people at their most vulnerable or one that focuses on the bottom-line and putting more money into the hands of the wealthy.

Liberal

During the COVID-19 pandemic the Liberal government set up several new support programs for individuals who would otherwise have fallen through the cracks – though these programs would have provided far less support than they did had it not been for pressure from the labour movement and the NDP. There were also support programs for businesses. These programs will [end on October 23, 2021](#) and temporary improvements to Employment Insurance (EI) will [end on September 22, 2021](#).

There are proposals for economic strategies as a tool to build the economy, but in some cases these consist largely of tax credits for businesses. The federal labour code would be amended to ban the use of scabs during lockouts (but not strikes) and employers and “labour groups” would be consulted about changes to allow workers to “disconnect” outside of working hours. Liberal proposals for tax fairness are limited in scope and Liberal MPs voted against measures like a wealth tax.

Conservative

The policies in the Conservative program are likely to increase income inequality. Their approach to the economy is focused on tax credits and subsidies for business. Where sectoral strategies are proposed, unions are not seen as one of the groups that need to

be involved. Unfortunately, that's the same approach that governments have been using for the last three decades. As [research](#) has shown, this is not an effective way to create jobs.

While the proposal to increase the Canada Health Transfer is a positive step, other Conservative proposals will make it harder for low and middle income Canadians to get the support they need. Conservative child care proposals will cost families thousands of dollars more a year than what the NDP or Liberals are proposing. Instead of pharmacare, the Conservatives propose to “negotiate constructively” with drug manufacturers – ignoring the fact that without the bargaining power of a national pharmacare plan it is not realistic to expect lower drug prices. While the Conservatives are now using the phrase “tax fairness”, they oppose important tax fairness measures like a wealth tax and a global minimum corporate tax.

NDP

The NDP programs contains a number of proposals to support low- and middle-income Canadians. These include stronger public services like pharmacare a national childcare program and improvements to long-term care and home care. EI would be changed to make it easier to qualify, remove punitive provisions and create a low-income supplement to provide a minimum income of \$2,000/month. Existing programs for seniors and people with disabilities would be improved to provide a guaranteed livable income for both groups.

There is a recognition of the need for economic strategies and for the labour movement to be involved in coming up with those strategies. NDP MPs voted in favour of a wealth tax and the NDP platform includes plans to target loopholes like the stock options deduction, the capital gains deduction, the business entertainment deduction and the dividend tax credit.

Green

The Green Party has supported measures like a guaranteed livable income to replace income assistance and support programs, but decisions on the amounts people would receive and the supports that would be eliminated would be made as part of the implementation process. The party has also supported increasing corporate taxes and a federal minimum wage of \$15/hour. This election the Greens have proposed a moratorium on evictions and assistance for people behind on their rent.

Conclusion

Equality is good for society. People are generally happier, healthier, and more productive when there is less inequality in a society. Crime rates decrease and educational attainment levels increase. It was policy choices by governments that started the increase in income inequality four decades ago. And it will be policy decisions by governments that reverse that trend and building a stronger, more equal society.

