



Budget 2017: A Strong Vision for Newfoundland & Labrador?

With the budget just weeks away, the current economic "*Way Forward*" of the Liberal Government in Newfoundland and Labrador (NL) is impairing our economy for the sake of short-term gains, which are benefitting few people.

How can this really be a way forward, when the vast majority of us are struggling? As NL experiences negative economic growth, the only province in Canada to do so, it's more like a **way backward**.

The economic model championed by government is based on inequality and insecurity, which is not able to bring about the transition to a sustainable economy that benefits our citizens. It's contrary to our cry for a fair and equal economy, and our collective responsibility to create a just society.

The NL government's reaction to cut the public sector, to outsource and privatize the important work of public service, along with regressive taxation that hurts middle and low income earners; will not create economic growth, jobs, or guarantee business investment in NL. Conference Board of Canada's figures show, this austerity agenda has already created an enormous drag on our economy.

Private sector jobs are also impacted by public sector job cuts. One has only to look at the recent closures of businesses around the province. Consumer spending counts for 54% of GDP. How can businesses survive when workers don't have money in their pockets to support them? Our unemployment rate is highest in the country, and slated to reach an outrageous 20% in a few years! Public-Private Partnerships cost taxpayers more money, among other negative impacts to our economy and our citizens.

Government has slammed on the brakes on black ice, and we are spinning out of control.

Government's austerity agenda will exacerbate some very disturbing trends. The income gap is widening. Women are earning 66 cents for every dollar earned by their male counterparts.

Women, racialized workers, youth, newcomers, indigenous peoples and workers with disabilities are disproportionately and negatively impacted. Jobs are more precarious, social protections for workers are declining, workers' wages are stagnant; while CEO's and the 1% are getting richer.

Labours' vision is a strong economy benefiting everyone. Our vision, shared by our partners in Common Front NL, is one where we can kick-start our economy and ensure that economic growth is inclusive and prosperity shared by all.



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We can require resource extraction industries to process their products locally, prior to export. Such a local value-added strategy will create jobs. We can support local clusters of cooperatives and small businesses, like the Fogo Island Co-op, which has created dozens of jobs. We can invest in, and support, locally owned businesses.

We know social infrastructure spending is good for our economy and our people. Investments in initiatives like childcare make sense - they return money into our economy, they create good jobs, and reduce inequality. The Confederation of British Industry notes that expanding childcare can get more women into work, boost the economy, and provide options for young families. NL needs young families to stay.

Investing in social infrastructure is good for economic growth and good for future generations. Investments can help meet our environmental challenges, and also our disadvantaged and vulnerable citizens. For example, we can provide more support to homeowners to insulate their houses, reducing their cost of living and saving energy. We can support remote communities to install solar and wind power, reducing reliance on costly and unhealthy diesel generators. We can boost minimum wages, eventually reaching the level of a living wage – and then implement a guaranteed annual income for all.

We can afford to build this kind of province. Carbon tax revenues will add hundreds of millions of dollars to our annual budgets. We can restore tax rates on the rich, and charge market rates for our oil rather than providing sweetheart deals to foreign-owned oil companies.

The provincial government needs to adopt a vision of a sustainable economy that works for working people and residents of this province. It needs to abandon the austerity agenda, and take concrete steps toward that sustainable economy. It can do so in budget 2017.

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