

DEBUNK A MYTH: WE HAVE TO CREATE WEALTH BEFORE WE CAN REDISTRIBUTE IT

This is when your brother-in-law will claim that we first have to create wealth before we can think of using it to fund public services.

Yet there has often been economic growth in recent decades, and workers have increased their productivity. What's been missing has been the redistribution of wealth. **This is why there have been growing social inequalities for the past 30 years.**

Yet while the median income of the middle class has stagnated, it has gone up for the richest 1%.

From 2009 to 2011 – the latest year for which data are available – the incomes of the richest 1% grew by 3.8% after taxes and inflation. The incomes of the 5% and 10% richest grew by 1.8% and 0.9% respectively. Meanwhile, average incomes for the other 90% of the population shrank by 0.9%.

It's easy to see that the real issue is not the creation of wealth but rather how we want to distribute it. **Do we want to use part of our collective wealth to fund public services that save**

everyone money, or do we want to live at all costs in a society in which everybody looks out for himself or herself?

Perhaps we tend to forget, but it has been proven that public services cost less and are of better quality than private services!

COUNT ON A VISION OF SOCIETY THAT AIMS TO REDUCE SOCIAL INEQUALITIES

Ultimately, the fundamental discussion revolves around the kind of society in which we want to live.

And on this, your brother-in-law is part of a minority that thinks we should scrap the Québec model.

A survey released recently by the Institut du Nouveau Monde (INM) revealed that, on the contrary, **more than 70% of Quebecers think the priority should be working to reduce social inequalities.**

We can wonder about the legitimacy of this government. If the majority of the population wants to combat social inequalities, how can the Couillard government legitimately aggravate them? Especially since it was elected by about 30% of the electorate in Québec. **How can it act as if it had the support of the majority of the population?**

If we want a reduction in inequalities, we have to oppose Liberal austerity and propose another vision of society. Luckily, much of the population is on our side. What remains to be done is to convince those who govern us that this is the only way to go to ensure our economic and social development.

TO DISPEL THE WIND OF AUSTERITY DURING *the holiday season*

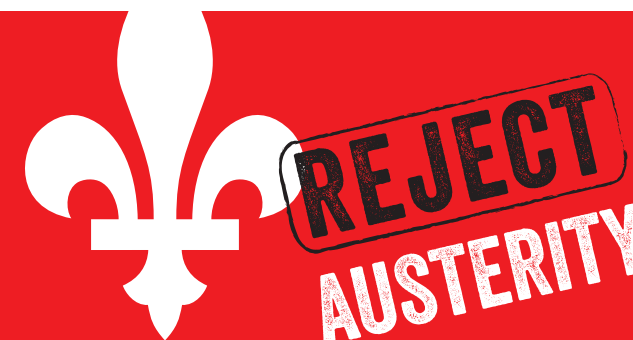
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The holiday season is a time for many families and friends to get together in all parts of Québec. There's a good chance that **lots of discussions will revolve around the Couillard government's austerity measures.** To help you cope with the brother-in-law defending the Liberal government's actions tooth and nail, here's a short guide to ways of answering back.

The way to build a real social front in defence of the Québec model is to discuss these issues with as many people in Québec as we can.



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DEMONSTRATE THE IMPACT OF THE COUILLARD GOVERNMENT'S AUSTERITY MEASURES

The brother-in-law will claim that austerity doesn't have any tangible impact on the life of citizens in Québec.

You're well-placed to prove the opposite.

- The **effect of budget cuts in health care and social services** is to put steadily increasing pressure on workers in the system. Why not illustrate the effects of the all too numerous cutbacks by talking about your situation, or that of your colleagues? Problems attracting and retaining personnel, psychological illnesses on the rise, more stress at work – there are lots of examples. And what about the impact on women, who account for almost 80% of personnel in the system?
- **There are many repercussions on services for the population:** longer waiting lists, services closed, jobs abolished, etc. Why not tell your friends and

family about these realities to raise their awareness? Especially since the government wants to chop another \$2 billion from the system next year.

- And what about the **attacks on Québec's family policy**? With its drastic rate hikes, the Couillard government is favouring the private sector. Yet studies show that non-profit services provide better quality. This rate increase will have a substantial impact on many families. How many women will have second thoughts about their career?
- Austerity **will cost middle-class families more than \$1,300**. Attacking the middle class and the most vulnerable in our society has become a habit. Do your friends and family realize the Liberals' austerity will hit them in their wallets too?

ANSWER THE MAIN ARGUMENT: WE CAN NO LONGER AFFORD OUR MODEL AND HAVE TO TIGHTEN OUR BELTS

If you succeed in convincing people that the decisions made by our governments in recent decades have had a number of negative effects, you will quickly be confronted with an argument that is trotted out endlessly.

"We've been living beyond our means for far too long and we have to tighten our belts. Public finances are in very bad shape and we have to accept cutbacks."

It's not surprising that many people believe this, since it's been repeated over and over on all sides for years now.

Yet the situation is not nearly as bad as they want to make out.

We can certainly afford to fund our public services. What's lacking is the political courage to raise new revenue to pay for them. The right-wing only talks about reducing expenditures, never about the revenue side of the balance sheet.

The government has voluntarily decided to forego billions of dollars in recent years. In 2007, the Charest

The Couillard government spares the 1%

- **Canadian banks rake in record profits (more than \$30 billion in 2013)**, but there is no proposal to get new revenue from them.
- Liberal MNAs will receive premiums of up to an additional \$90,000 a year. No MNA has relinquished these premiums.

- The average income of the 100 best-paid CEOs in Canada was almost \$8 million in 2013, but there are no plans to increase tax rates for the wealthiest.

Is that the kind of society we want?

government chose, for example, to use some \$800 million in federal health-care transfers to provide tax cuts. Instead of investing the money to improve the health and social services system, it made a gift to the most affluent in our society. And the Couillard government intends to do the same. It wants to balance Québec's budget as fast as possible so as to be able to give the wealthiest more tax cuts.

Repeatedly depriving the government of revenue is no way to fund public services that are the envy of North America!

The Coalition against fees and the privatization of public services **proposes solutions for raising more than**

\$10 billion in revenue without adding to the burden on the middle class and poorer segments of society.

- We could save \$4 billion by buying back the **P3 contracts for the university hospitals**.
- We could save more than \$1 billion by establishing a **fully public drug insurance plan**.
- It would also be possible to recover more than \$750 million that is now stashed away in tax havens.
- We could save more than \$2.5 billion by combatting **over-diagnosis**.

DEMONSTRATE THAT AUSTERITY IS NOT THE SOLUTION, AND THAT THERE ARE ALTERNATIVES

The experts agree that austerity is a failure.

Be they international experts – at the International Monetary Fund (IMF) for example – or local ones, like the Association des économistes québécois, they all understand that austerity has devastating economic and social repercussions.

Your brother-in-law may then say that what we should do is compare ourselves with the Canadian model and reduce our social investment.

New data from the Organization for Economic Co-operation and Development (OECD) shows that in international comparisons, **Canada lags far behind**

when it comes to social spending

(the term that should be used instead is social investment), and that it is certainly not a good idea to follow its example.

Canada spends much less than the average for OECD countries as a percentage of GDP. On average, OECD countries devote 22% of their GDP to social spending, but Canada spends just 17%, on par with Estonia and the Czech Republic.

In contrast, France, Finland and Denmark invest more than 30% of their GDP in social spending. In other words, when we make comparisons, we realize that other choices are possible.

Right now, workers are the only ones obliged to tighten their belts. The richest get away without doing anything to contribute.

Not enough Quebecers realize that relying on our public services is very profitable. **It costs us less to pay for services collectively that it would to pay for each of them separately on our own.** A comparison with the rest of Canada makes this clear.

We can also talk to people who remember what it was like before our public services were developed. How many people had to go into debt to pay for medical care? How many avoided going to see a professional because they didn't want to go into debt? How many thousands of women stayed out of the labour market because there was no network of childcare services?

An analysis of these data shows that Scandinavian countries are some of the ones that invest the most in social programs. They are also countries that maintain a rate of growth that is higher than average, while keeping social inequality as low as possible.

Why wouldn't Québec follow the example of the countries at the top of international rankings for equality and economic and social development?

The financial impact of austerity on workers

For a family with two children earning \$85,000 in 2015, here are a few examples of rate increases that will affect them directly: :

- higher rates for child care: **\$790**
- higher municipal and schoolboard taxes: **\$130**
- 2 cents more for gas: **\$125**
- higher hydro rates: **\$70**
- reduction of tax credit for dues: **\$170**