

# AUSTERITY and its **ALTERNATIVES**



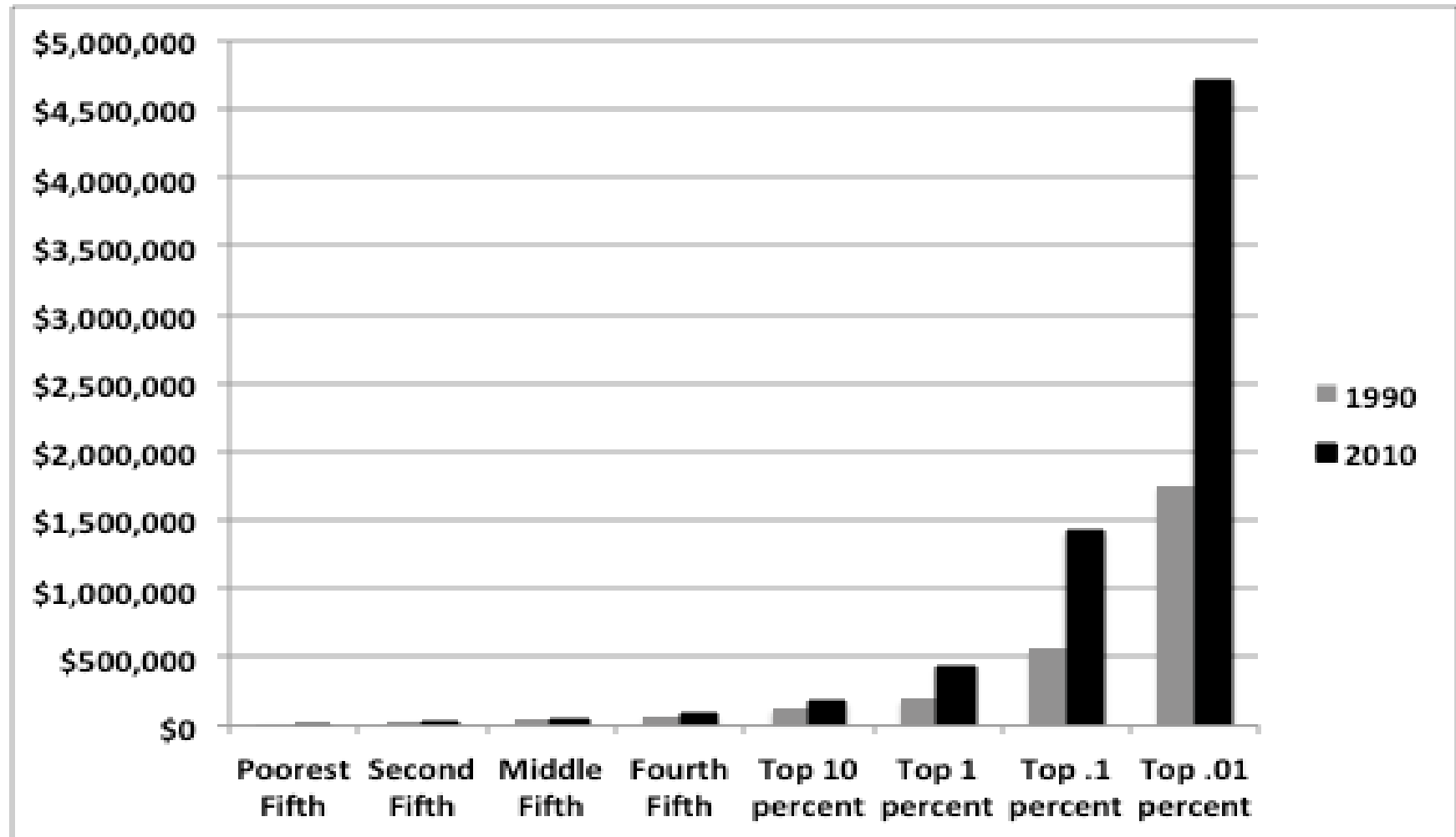
## Good Jobs for All

*Alternatives to Inequality and Austerity*

John Peters  
Laurentian University, Canada

The First AltAusterity Workshop – December 14-15, 2016  
McMaster University, Hamilton, Ontario, Canada

# Rising Income Inequality in Canada



Canada (Average Household and Top-Income Earner After-Tax Income, 1990-2010)

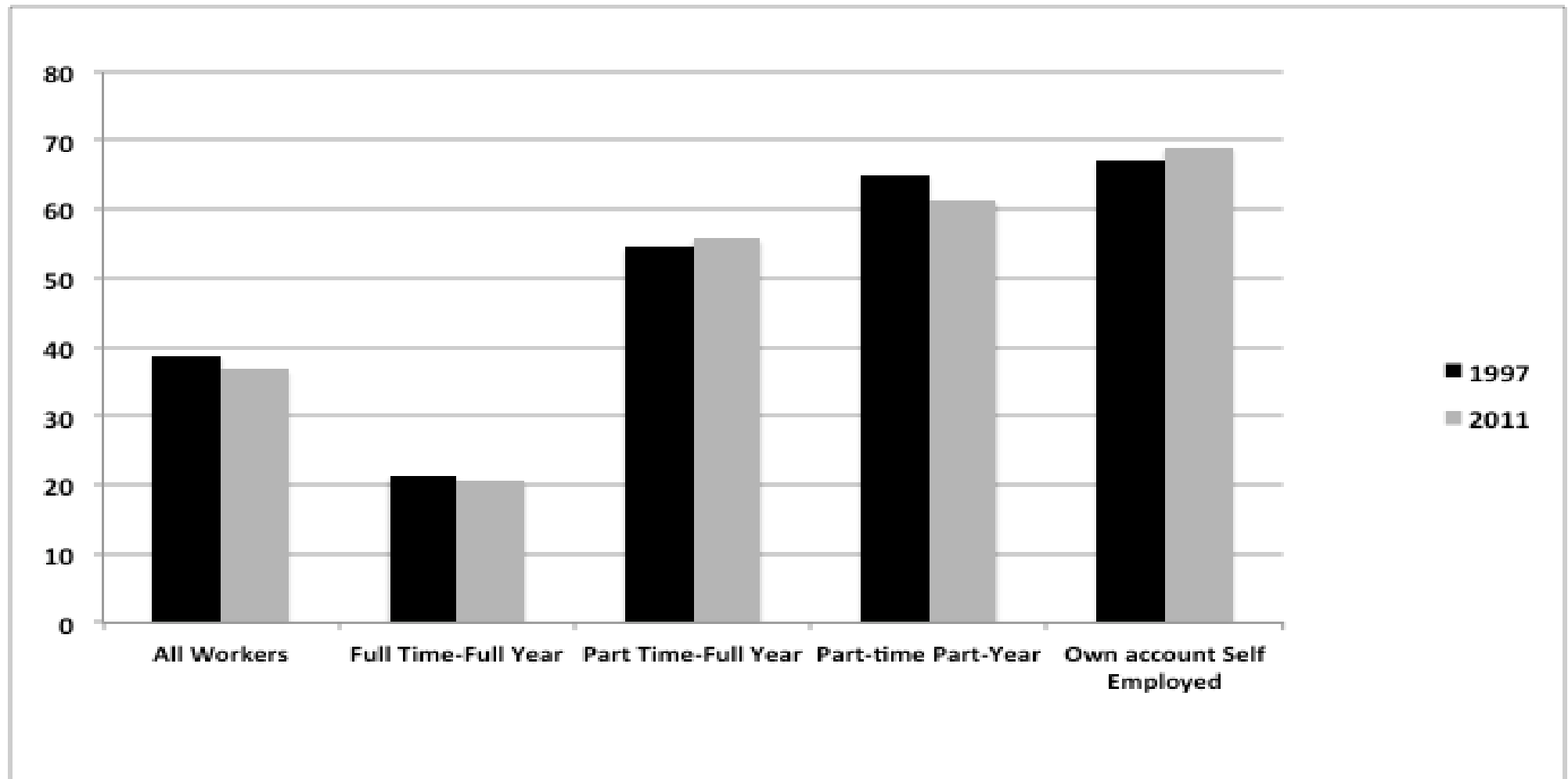


# Rising Income Inequality in Canada

- Rapid rise in income inequality in the 1990s and 2000s
  - richest 1%: incomes more than doubled
  - poorest 20% of workers: incomes fell
  - another 20% of workers saw no increase
  - those in the middle fifth experienced only a 13% increase (to \$53,709)



# Canada and Low-Wage Work, 1997-2011



(% of workers below 2/3 of the median full-time hourly wage)

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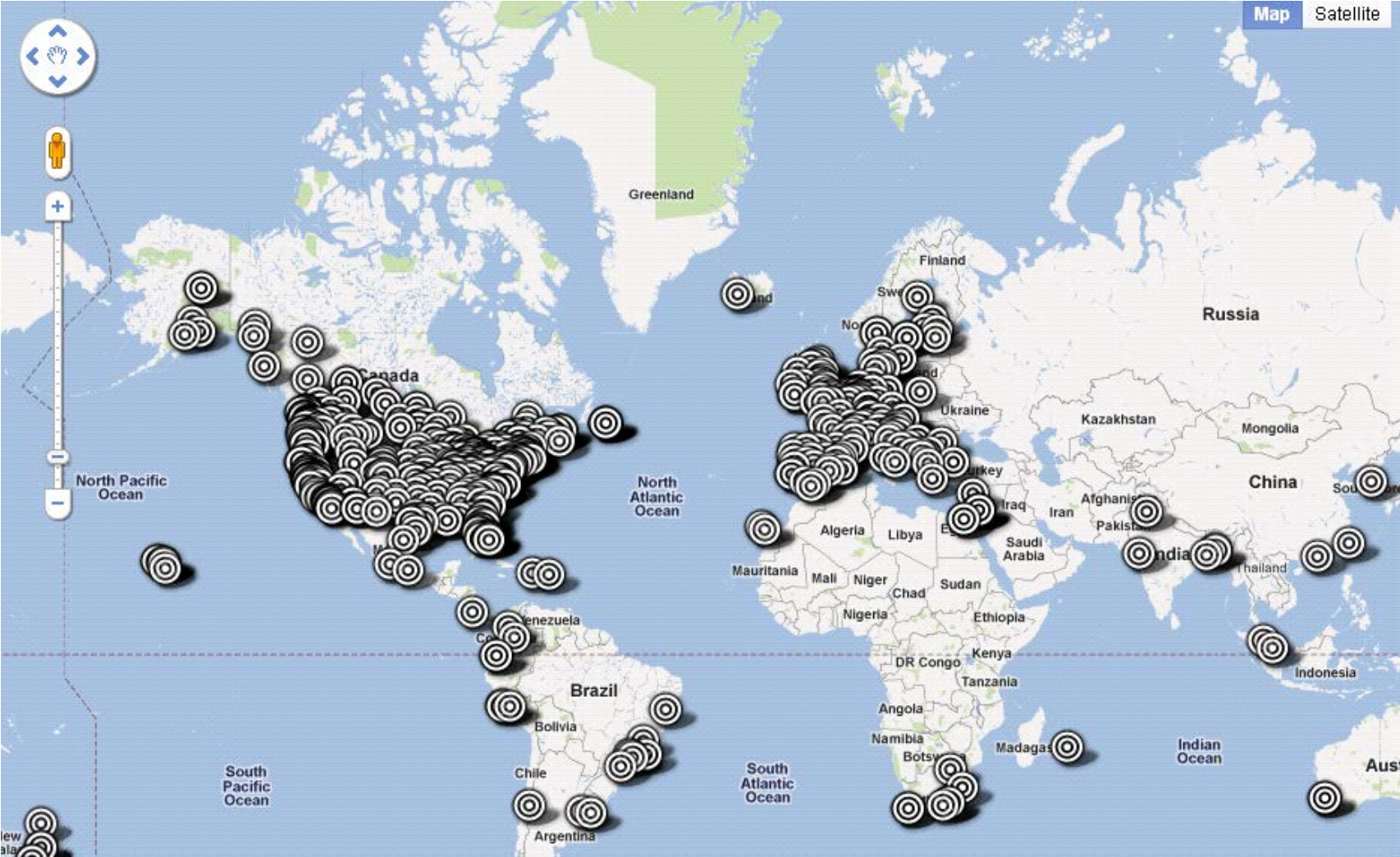


# Canada and Low-Wage Work, 1997-2011

- Canada's workforce:
  - Over 35% routinely in low-wage work (low wage cut-off: 1997=\$11.20; 2011=\$16.25)
  - 21% of those in full-time full-year employment in low-wage work
  - Over 60% of those in non-standard work earn less than 2/3 the median full-time wage



# Occupy Protests Around the World

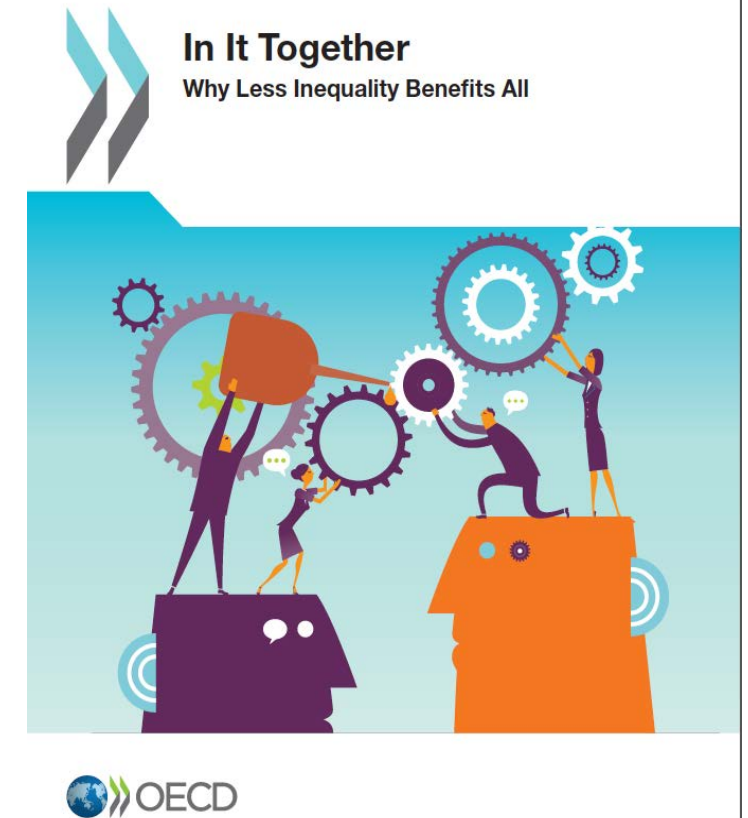


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# Increasing Recognition of the Problems with Inequality?

- EU 2020 – Inequality is costing us money – more prison, more police, more mental illness, more drug abuse
- OECD and IMF - Inequality is undermining economic growth
- Richard Wilkinson and Kate Pickett - Wasting our skills and education, hurting our health and well being
- Political Science – Political parties and governments are focusing more and more on the priorities of business, finance, and the affluent



# New Critical Perspectives on How Government Have Fuelled 'Winner Take All' Economies?

**Anthony Atkinson –**  
***Inequality – What Is to Be Done?***  
**(2015)**

Government is doing much less to reduce inequality through taxes and benefits at the very top of the income ladder . Now more than ever are new tax and redistributive policies required

**Jacob Hacker and Paul Pierson – Winner-Take-All Politics (2010); American Amnesia (2016)**

Government is not responding to the shifting realities of the economy and their impacts on middle class and working families had different economic and social outcomes.

**Costas Lapavitsas- Profiting Without Producing: How Finance Exploits Us All (2014)**

Governments have enacted financial, trade, and tax policies that favour the upward distribution of 'market income' in immediate and substantial ways

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# What Policies Can Governments Use to Address Poverty and Inequality?

- Better labour law
  - higher unionization; stronger labour boards
- Higher minimum wages
  - Two-thirds of national median wage
- Family Policy
  - universal public day care, and extended parental leave
- Active labour market policy
  - training and public apprenticeship
- Economic security
  - better and more accessible unemployment insurance and adequate public pensions



# Why Should Countries Enact Better Labour and Safety Net Policies?

- Smart Thing to Do – Policies are All Affordable
- We Have the Wealth and Knowledge to Do Better
- Inequality and Poverty are Solvable Problems
- Democracy should mean policies that help all citizens
- Capitalism as Currently Configured is Unsustainable



# Join the Conversation

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