Standing Committee on Finance (FINA)

Pre-budget consultations 2012

GLOBAL COMPLIANCE RESEARCH PROJECT

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?

Few will deny that there is an urgent need for change. The political response to issues - like erosion of health and of health care, environmental degradation, disintegration of communities, over-consumptive models of development, globalization through corporate control, and privatization of essential services has been mostly ineffectual. Economic recovery and fiscal restraint must be based on the establishment of fundamental Federal priorities, and the annual budget process is a time to reassess these priorities, and to redirect, and to relocate or funds. IA distinction could be made among "redirecting" or "relocating" funds. "Redirecting" would be moving funds within the same department but allocating the funds for different purposes. For example, funds in the Department of Agriculture would be redirected from subsidizing genetic engineering, agribusiness and chemical dependence to promoting organic farming and other forms of ecologically sound farming, and to instituting a fair and just transition program for farmers and communities. Similarly, funds in the Department of Natural Resources would be redirected away from subsidizing the fossil fuel, biofuel and nuclear industry to promoting socially equitable and environmentally safe and sound alternative energy. This would be coupled with the policy for the complete phasing out of fossil fuel, biofuel, nuclear and unsustainable hydroelectric projects. In the Department of Fisheries, funds would be redirected from promoting aquaculture to preventing destruction of fish habitat and to preserving wild stocks. This would be coupled with a policy to ban on Salmon fish farms and on land based Salmon fish farms. Likewise in the Department of Transport funds would be redirected away from subsidizing the automobile industry to promoting public transportation systems, which facilitate the moving away from car-dependency. On the other hand, "Relocating" of funds means either allocating funds from one department to another department, or to a newly designated department. An example of "relocating funds" would be the reallocation of funds from the Department of Defence to the Department of Finance for transfer payments for health care to Finance for transfer payments for education, to the Department of Human Resources, for an Anti-poverty fund, and to the Department of Environment.

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?

In the 21st Century, the concept of competitiveness has changed not only because of the increasing concern about the need for socially equitable and environmentally sound development and employment but also there has become more and more interest in cooperativism. The countries that will be on the leading edge of phasing out unsustainable practices and embarking upon subsidizing sustainable practices will in the long run be more successful. While Rio +20 did not succeed in addressing these issues, it was clear that the cities of the world and civil society were leading the way. Increasingly, the courts are siding with the plaintiffs in cases of environmental destruction. Not only are

fines for clean-up becoming increasingly exorbitant but also there will be an increasing demand for absolute or strict corporate liability coupled with the call for the revocation of licences of corporations that have destroyed the environment, endangered human health, or violated international or national law. The industries that will be successful are the ones that arise out of the sunsetting of the industries that have contributed to war and conflict, have violated human rights have destroyed the environment and denied social justice. Another indication of the change in Canada is when one sees Lawyers marching in Montreal and scientists protesting on Parliament hill. 1 Cooperative could become a real alternative "A virtuous not vicious cycle" (Joseph Stiglitz, 2008, CIRIEC). In September 15, 2008, after the collapse of the Lehman Brothers, the global economy has been described as a global "economic collapse², as an "economic earthquake", as "economic turbulence", as a collapse of a pack of cards etc., and has been used to justify the abandoning of other pillars of sustainability. This situation is the consequence of decades of overconsumptive, unsustainable and socially inequitable development. Cooperative theorists and practitioners began to envision a new role for co-operatives following the "demise of the neo-classic capitalist economic model" International Co-operative Alliance (ICA). For example, on the 22nd October, 2008, ICA sent a letter to the G8 countries urging them to understand that the co-operative is a real alternative

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?

Unfortunately, Canada's reliance on exploitation of natural resources has contributed to the detriment of value added employment. It is essential that there is a Conversion of sunset industries and the institution of fair and just transition programs for workers and communities affected by conversion of sunset industries to socially equitable and environmentally sound development and employment. The funds in the Department of Industry must be relocated from subsidizing corporations and corporatebeneficial research to address the challenges of the 21st century, related to socially equitable and environmentally sound employment and development Canada must move away from policies of economic growth at any cost. In the future, the Canadian government must act with foresight to prevent the entrenchment of socially inequitable and environmentally unsound practices. Canada is in a situation where a transition and conversion policy is necessary to phase out, or ban socially inequitable and environmentally unsound practices. Public policies must direct public funding to ensuring a just transition for workers and communities economically affected by these transition policies. There must be a national commitment to implementing the public trust throughout the country with a fair distribution of the benefits, and an obligation to communities and to maintain full income and allinclusive targeted transition assistance for working people who are dislocated as a result of the implementation of specific policies until they can find comparable work. Workers and the communities affected by the policy must be involved in the decision making process from the development of the terms of reference and throughout the process, and that the decision making process must be based on the fundamental principles of Just Transition supported by respective unions. Redirect funds from the National Research Council and Natural Science and Social Science and humanities research to socially equitable and environmentally sound projects. The research must not be linked to industry or "partnershiped" with industry" (i.e. public private partnerships) Canada must respect the labour force by implementing «international labour Organization conventions and recommendation. In addition, there must be a redefinition of what constitutes "due diligence" with pension funds. The criteria should be that the investments must be in socially equitable and environmentally sound development and employment.

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?

This question is based on two notions which are being abandoned more and more in the 21s century. Many question the obsession with the economic growth at any cost and the competitive paradigm. When limits to growth and cooperativism could be viable options "A virtuous not vicious cycle" (Joseph Stiglitz, 2008, CIRIEC). In September 15, 2008, after the collapse of the Lehman Brothers, the global economy has been described as a global "economic collapse², as an "economic earthquake", as "economic turbulence", as a collapse of a pack of cards etc. This situation is the consequence of decades of overconsumptive, unsustainable and socially inequitable development. Co-operative theorists and practitioners began to envision a new role for co-operatives following the "demise of the neo-classic capitalist economic model" International Co-operative Alliance (ICA). For example, on the 22nd October, 2008, ICA sent a letter to the G8 countries urging them to understand that the co-operative is a real alternative: With Cooperatives, there is an alternative secure, stable and sustainable model of business owned and controlled by 800 million people worldwide. It is true to its global values and principles of self-help, sustainability, community ownership and control, democratic participation, fairness and transparency." For years, for-profit corporations have been responsible and have benefited from the relaxing, by states, of regulations and have functioned in an unsustainable way, causing a vicious cycle of errors. These errors have resulted in global unsustainability. While for-profit corporations espouse the rhetoric of "sustainability", through the so-called triple bottom line - economic, social and environmental, they, usually in collusion with governments, undermine the serious implementation of true sustainability by advocating "voluntary compliance", and by decrying the "command and control" exercised by mandatory government regulations. Often for-profit corporations have been allowed to delude the public by placing or by being placed on lists such as the Ethisphere, the Corporate Knight, the Global Compact all schemes to profile a minor achievement of sustainability to mask the major proportion of their unsustainable practices. In contrast, the co-operative enterprises, in being principlebased, in acting on their principles (if not being impeded from adhering to their principles by governments, for-profit corporations, Bretton Woods Institutions, and trade agreements engage in socially equitable and environmentally sound development and employment.

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?

Many individuals, communities and local businesses are impeded by the actions of the Federal government have a feeling of helplessness and powerlessness vis a vis the Federal government and large corporations. For example the Federal approval and release of genetically engineered food and crops has had a serious impact on food security. Another example, in Victoria there is considerable concern about the visits of US nuclear powered and nuclear arms capable vessels in the port of Greater Victoria. In 1991, all but one member of the BC legislature supported a resolution opposing these visits. In 1991, the Federal government passed an order in council bypassing the EARP guidelines for carrying out and environmental assessment review and had permitted these vessels to circulate in BC waters and berth in the greater Victoria harbour. In addition there has been concern about war games and exercises such as Exercise Trident fury. While there is opposition, from individuals and communities including indigenous communities to the Enbridge and Kinder Morgan pipelines, for environmental and cultural reasons. And the provincial government opposes the pipeline for economic reasons. The federal government has

indicated that it will be a Federal cabinet decision again overriding a proper environmental assessment process. will proceed. Individuals are also concerned about Canada's reputation internationally. There has been continuous complaints against Canadian mining companies and their violation of international standards, and Canada had refused o pass the C 300 which would have at least required compliance with some standards. Individuals, businesses and communities for example could attempt to address the issue of climate change but they know that the federal government has been impeding any progress internationally at the COP 15, 16 and 17 conferences. There have been many protests against the gutting of the fisheries act and the removal of article 35. But the Federal government has completely ignored these concerns which will impact on individuals, communities, and small businesses. And finally, Individuals are concerned about the Federal government cutting funding for University education; This lack of funding has led to increased reliance on corporate funding.