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Big ideas missing

by Corvin Russell

[note: article is abridged for print]

As promised, here is my post putting out some of the many big ideas that are missing from this election.

1. Green jobs, green infrastructure, green cities.

We are hurtling towards a climate change calamity that could engulf almost all life, yet we are talking about at best cosmetic policy changes. At the same time, we are facing a grave financial crisis that is bleeding into the real global economy. It could be capitalism's gravest crisis yet. A comprehensive green infrastructure strategy can be part of the answer to both crises. The green economy has become a trite and empty phrase, but that's in part because no one has evoked what it means in a way that is appealing and where people see themselves fitting into it. Addressing climate change requires a fundamental reorientation of how we live, work, and play; we need an optimistic picture of the future world in which climate change has been arrested. Stopping climate change requires:

- Massive investment in new urban transit and intercity rail.
- Investment in renewable energy like solar and wind on a massive scale, preferring distributed, community-run micro-generation but also including solar farms and offshore windfarms.
- Mandating passivhaus or equivalent standards for all new housing and commercial buildings, and subsidizing retrofits for existing houses and rental units.
- Supporting local production of food and changing the relationship between cities and the food-producing areas within and around them.
- The creation of new local industries to provide equipment and expertise for renewable energy generation, low carbon housing, and low carbon transit.

All of this can be paid for up front by a blend of carbon taxes, shifting subsidies away from fossil fuel and cars, auctioned pollution permits, and issuing ultra-cheap government debt — see below.

2. Challenge neoliberalism

At a time when extensive deregulation and financialization has plunged capitalism into its gravest financial crisis since at least the Great Depression, the absence of any articulation of an alternative at the political level is stunning. Now is the time to name the system and the problems with the system, and strike a blow at the ideology that has helped sustain it. Now is the time to name what "free trade" regimes are: regimes of regulation that favour capital and discipline labour. Now is the time to say American capitalism is not the model we want to follow — in fact, it is threatening the global economy and the health of the planet. Some concrete ideas:

- Introduce a tax on speculative finance, like the Tobin tax.
- At a time when investors are seeking the security of government-issued debt, the government can issue huge amounts of debt for barely more than 0% interest. Now is the time to fund large infrastructure projects, like badly needed urban transit upgrades and new railway lines, or new public housing, because it can be done so cheaply.
- If the banks are too important to fail, and government is going to have to bail them out anyway, nationalize them so that the profits will be public and not just the losses.
- Talk about the need to make investment decisions democratic. Finance capitalism, which was one of the main drivers of trade "liberalization" and deregulation, is in crisis. Now there is an opportunity to openly challenge trade deals like NAFTA and the WTO.
- Talk about a reduced workweek and a guaranteed income indexed to a living wage.

3. Take responsibility for colonialism and reshape Canadian-Indigenous relations

The history of Canada is a history of colonialism. We moved into someone else's homeland, and we took the land through deceit and treachery. We did our best to destroy Aboriginal cultures and economies. And the colonial project continues to this day. Here's how to end it in a transformative way:

- End the current Canadian policy of seeking extinguishment of Aboriginal title. Period.
- Respect the right of First Nations to say "no" to economic development on their traditional territories.
- Sign on to the UN Declaration on the Rights of Indigenous Peoples.
- Give legal status to Aboriginal languages and massively fund their support and dissemination — only one small part of taking responsibility for residential schools and the history of attempted ethnocide and genocide.
- Abolish the imposed system of Indian Act government and allow Indigenous Canadians to choose their own systems of government.
- Respect and protect Indigenous knowledge and Indigenous economies.
- Provide services to Aboriginal Canadians at a level that at least matches funding for similar services provided to other Canadians.
- Honour the spirit and intent of the treaties.
- Educate the wider Canadian population on the history of colonialism, and on the histories of Indigenous peoples on this land.

4. Reinvent democracy

It's time to fundamentally reframe our relation to the state — not as a power structure that looms over us, but as something we as citizens control and actively participate in and benefit from, and which develops our capacities as human beings. Proportional representation is only a basic first step in democratic reform. More ambitious ideas include: Reform government institutions by giving frontline workers and service users more of a say in the running of services. Make decisions locally wherever possible, through community management of resources and participatory budgeting, for a start. Promote social solidarity through education and engagement around fundamental issues and values — questions like, if we really have to change everything to deal with the climate crisis, what are the things we really value and want to keep? And should these decisions be left to the blind imperatives of private finance? Or should we all have a say in our destiny?



Election 2008. Week Four.

Bailouts and governments: Starting a new conversation

by Armine Yalnizyan
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From the start of this federal election, the bailout box question for voters has been — how would they handle an economic slowdown?

The events of the past week make that an unavoidable question issue now, and it's not just a question of how each leader would keep the country in the black. It's more personal — what would they do for you if bad times hit, and hit hard?

Notice anything? Against a backdrop of on-again off-again bailouts in the US and roller-coaster stock markets all over the world, the way we talk about governments has shifted dramatically.

For most of the last 30 years, governments were the problem, markets the solution.

But wildly free markets have the Davids and Goliaths alike turning to the government for help.

The giants of Wall Street have stood the wisdom of the old social contract — “what's good for GM is good for America” — on its head. Huge financial corporations are saying “what's bad for us is worse for you”. It's hard to disagree.

People are worried about their homes, their jobs, their retirement nest eggs, their debt loads. Though they've been playing by all the rules — getting better educated, working harder — the colossal dips and turns of the stock market just keeps ratcheting up the risk levels in the everyday choices people have to make. Stay or go, the fear is, one false move and you're left hung out to dry, on your own.

So the big question is — what can the government do? What should it do?

In Canada, we are a little luckier than our American neighbours. Despite dipping into this mess, our financial titans aren't imploding with foolish investments. Bay Street doesn't need propping.

But just because it doesn't need to be bailed doesn't mean the good ship of capitalism doesn't need to be made more seaworthy, especially since we are heading into some very high seas.

So suddenly, for governments here

and south of the border, doing nothing is not an option.

Consumer spending is what has stopped our economy from heading into the ditch for the past 17 years, even when stock markets have plunged, like they did in 2000 and earlier this year. But with household debt at record high levels — \$1.27 owed for every dollar earned here in Canada — and savings rates plummeting, consumers are starting to pull back. If a slowdown results, job loss without jobless benefits will mean even deeper retrenchment of spending. If the credit crunch means borrowing costs go up, even fewer people will buy, and more personal bankruptcies will be on the horizon.

Saying consumers will continue to do all the steering and guide us into safe harbour — as our Prime Minister, Stephen Harper, said just last week — is unrealistic. Frankly, it's a risky stance.

Whoever stands at the helm on October 15 better have a plan to do more than just watch as we head towards the rocks, hoping someone pedalling frantically at the back will make the difference.

How about a tax cut? Suddenly that seems like so yesterday's answer.

We may have just clocked up another \$10 billion surplus, but the days of federal governments with money to burn are behind us for a while to come. The only way you can finance tax cuts these days are to raise them for some, and give them away to others.

But you have to ask yourself — how would more tax cuts help?

The Conservatives have scheduled over \$220 billion worth of tax cuts in the 32 months they've been in power. It's barely registered with the person on the street or with the macro-economic fundamentals. It's the same south of the border, according to the Wall Street Journal, where no one can tell you what May 2008's fiscal stimulus of about \$100 billion in tax cuts bought. It just disappeared.

Now imagine using that kind of money to build homes, restore and expand infrastructure, invest in transit and green energy policies, create daycare spaces, or even just improve employment insurance so people could keep spending on rent and food.



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That's exactly what economist John Maynard Keynes, in the wake of the Depression of the 1930s, advised governments to do — target interventions that would shorten the down-side of the business cycle and build a platform for the next expansionary period.

He showed how governments could leverage more impact by spending than individual shoppers. And, by and large, that's what governments did, at least until the 1980s.

In Canada we may not need to worry about how much money it will take to keep the arteries of credit from collapsing, but we do need to think about how to proceed.

Money can be freed up to help people keep shopping, or to pack a huge counter-cyclical punch.

By building and making things we need, we can keep people working and we can invest today in the foundational things that create a more productive economy tomorrow.

Voters are looking for clues on how the leadership hopefuls would handle a downturn in the economy, and how that might translate to their jobs, their savings, their future.

Now that the economic crisis south of the border has got our attention, the new conversation we are having is — will that be Keynes or credit?

For more on the election, you can also check these web sites:

www.voteforenvironment.ca

www.democraticspace.com/canada2008