

# British Columbia to ravage public and social services

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British Columbia's Liberal government announced details Thursday of its plan to shrink the provincial civil service by almost one-third or the equivalent of 11,700 full-time jobs over the next three years. The government job cuts are the steepest ever made in Canada, surpassing in per capita terms those implemented during the 1990s by the Ontario Conservative government of Mike Harris and the Alberta Conservative government of Ralph Klein.

Significant as the job cuts are—more than 1,000 workers received their pink slips Thursday—they are merely the opening salvo in a sweeping assault on public and social services that will impact on all working people in British Columbia. Especially hard-hit will be the most vulnerable: welfare recipients, seniors, young people, and those caught up in the criminal justice system.

In real terms—that is, before accounting for the depreciation caused by inflation—the Liberals are cutting total provincial government spending by 8 percent over the next three years, from \$23.8 billion in the current fiscal year to \$21.9 billion in 2004-2005. According to Ministry of Finance briefing papers, 25 percent of the \$1.9 billion in annual savings will come from reduced payroll costs and 75 percent from service cuts.

These figures seriously understate the scope and scale of the government's budget-cutting, and not just because the Liberals will, according to their own estimates, still have to reduce government spending by several billions of dollars per year if they are to meet their commitment to balance the provincial budget by the end of their current mandate in 2004.

So as not to be accused of breaking an election promise to leave health care and education spending untouched, the Liberals have excluded from their estimates the "savings" arising from the three-year budget freeze they have imposed on both departments. Because of inflation and population growth, this freeze will quickly translate into massive spending cuts. Government officials concede that by 2005 the annual health budget shortfall will be close to \$2 billion.

In a patent attempt to deflect anger from the provincial government, the Liberals are devolving management responsibility, including the power to close hospitals and make other make changes in the provision of health services, to regional health boards.

Elected last May, the Liberals have launched what Premier Gordon Campbell himself calls "a fundamental restructuring of government." User fees will be imposed for numerous government services. Many benefits and programs will henceforth be means-tested or have their terms of eligibility tightened. Others will be off-loaded to lower levels of government or privatized. Declared Campbell, "We are not shy about the private sector delivering services in a cost-effective way."

According to Norman Spector, who was a top government official in 1983 when British Columbia's Social Credit government announced a sweeping austerity program that almost provoked a province-wide general strike, "This is far more radical than 1983."

The *Vancouver Sun*'s Vaughn Palmer, a columnist not known for his radical views, writes, "Thursday's news is just the first phase of the Liberals' remake of the provincial government. The ripples spread outward from here, with not even those in charge sure where things are headed."

\* The legislation governing welfare is to be rewritten to, in the words of Human Resources Minister Murray Coell, shift "from a culture of entitlement to a culture of employment and self-sufficiency." Recipients deemed immediately employable will have to agree to job-search and training plans and should they fail to adhere to these plans will be denied all benefits.

Single parents will be forced to look for work when their youngest child turns three, four years sooner than under the current policy, and benefits for those aged 55 to 64 are to be cut by about \$50 per month. "Employable" single people and couples will henceforth be entitled to receive welfare only for a maximum of two out of every five years.

"Hardship assistance" will be eliminated for people who have quit their last job and for refugee claimants. Bus-pass subsidies for low-income seniors, the disabled and some other categories of welfare recipient are also being scrapped.

\* The provincial drug plan, which provides prescription drugs to seniors, is to be means-tested, as will be services for families with special needs children.

\* The workforce at the Ministry of Water, Land and Air Protection (the former Environment Ministry) is to be reduced by a third, or 401 people. In future, the ministry will not

respond “to medium and low risk” environmental spills. Following in the footsteps of the Ontario government, whose privatization of water-testing helped lead to the water-contamination disaster in Walkerton, the BC government is off-loading responsibility for regulating water quality to regional authorities.

\* The government will “review”—i.e., soon scrap—a six-year freeze on university and college tuition fees and “adjust the regulatory climate” to allow for the establishment of more private, for-profit, post-secondary institutions.

Wage subsidies for employers who hire students during the summer are being eliminated. The government claims its establishment of a new minimum wage for first-time job-seekers—substantially below the regular minimum wage—will give students the boost they need in finding summer employment.

\* The budget of the Ministry of the Solicitor-General is being cut by 10.7 percent over three years. This will translate into harsher conditions for both accused and convicts.

The budget for legal aid is being slashed by 40 percent and the criteria to determine eligibility tightened. Funding for community probation and drug and alcohol abuse programs is to be eliminated. A program to help people who have fallen in debt is likewise to be axed “because assistance to debtors is not a core business of government.” The closure of eight provincial jails will mean that inmates have to double-up.

\* With the Transportation Ministry eliminating 1,500 jobs, or more than half its workforce, the government will increasingly rely on so-called public-private partnerships (PPPs) and private companies in maintaining, managing, and extending the provinces transportation infrastructure. Declared the government, “the ministry will privatize all activities that can be delivered effectively by the private sector.”

\* The Forest Ministry is to cut 1,433 jobs, more than a third of its payroll, meaning the government will turn to the forest companies for managing the forests, including inventory, reforestation and environmental protection.

The cuts will have a particularly severe impact on the already economically depressed B.C. interior, for the government is closing numerous local offices and terminating programs that provided support to farmers, regional development and ailing companies.

The Liberals are known to be considering introducing legislation to reopen the union contracts of those directly employed by the province, if not all provincial public sector workers. Significantly, government spokesmen refused to give any guarantee that those whose jobs are privatized or offloaded will continue to receive their current wages and benefits.

The Liberals claim that the cuts are necessary to meet a “structural” budget deficit that they inherited from the previous New Democratic Party regime. Campbell told a press conference Thursday, “We had a government that was fundamentally unsustainable.”

But on their very first day in office, the Liberals announced almost \$2 billion per year cuts in corporate and personal income taxes—cuts quicker, larger, and far more skewed in favor of big business and the well-to-do than those they had promised on the election hustings.

Campbell and Finance Minister Gary Collins have been quick to dismiss suggestions their austerity program will worsen the economic slump. (Last year British Columbia’s workforce shrunk by 59,000 jobs, or 3 percent.) They claim that any short-term pain will be more than offset by the investment boom that their program of tax and expenditure cuts will precipitate.

The social-democratic New Democratic Party and the trade unions have made ritualistic denunciations of the Liberals. In the coming days and months, they will try to place themselves at the head of the opposition to the Liberals’ cuts, the better to contain and derail the working class

“Gordon Campbell’s cuts are extreme, short-sighted, and just like in Ontario, they seriously jeopardize health and safety standards protecting British Columbians from a Walkerton-style tragedy,” declared BC NDP leader Joy MacPhail. The head of the NDP’s tiny, two-member legislative caucus, MacPhail was a key figure in the previous NDP regime which prepared the political terrain for the Liberals coming to power, by slashing public services, attacking trade union rights, and echoing the pro-business and anti-crime rhetoric of the right.

B.C. Government Employees Union President George Heyman, whose members are most immediately affected by the Liberals’ job cuts, promised to fight the government every step of the way. Yet, his remarks clearly indicated that he accepts the Liberals’ premises—that BC must be made profitable for big business. He said that Campbell’s policies risked provoking mass opposition which would scare away investment:

“If Gordon Campbell rips up collective agreements and rolls back wages ... All bets will be off. If they do that we will go back to the days of the ’80s when B.C. had a reputation amongst potential investors as a bad place to invest because it was a place of conflict, confrontation and strife.”



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