

Ontario report: Inequality at levels “not seen since the Great Depression”

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A report published by the union-backed Ontario Common Front paints a harrowing portrait of the social devastation inflicted on the province’s working class and poor over the course of a single generation. Titled “Falling Behind”, the report documents the impact of years of right-wing government policies that have laid waste to the jobs and living standards of working Ontarians, producing levels of social inequality not seen since the Great Depression.

The report places responsibility for this social disaster on provincial governments both past and present, which have implemented anti-worker policies in the service of big business. Figures included in the report demonstrate that tax cuts for corporations and the wealthy and years of social spending cuts have crippled public services such as health care and education. The resulting crises, such as overcrowded hospitals, sky-high post-secondary tuition fees, the shuttering of community service organizations, and the slashing of social assistance funds, are then blamed on government “waste” and “inefficiency” and used to justify privatization and still greater cuts.

Although the report points to the depth of the social crisis facing millions of Ontario workers, it omits the central role played by the unions and the New Democratic Party (NDP) in facilitating this situation, and thus only tells half the story.

Among some of the starkest findings in the report are the following:

- * At 12 percent of its workforce, Ontario has the highest proportion of minimum wage workers (C\$11.25 per hour) in the country.

- * In 2009, 13.1 percent of Ontarians, or 1,689,000 people, lived under the poverty line, including 14.6 percent of all children.

- * Between 1976 and 2004, the bottom 40 percent—600,000 Ontario families—experienced stagnating or declining incomes, while the wealthiest 10 percent saw

their incomes rise by an average 41 percent.

- * Public spending per capita in Ontario is the lowest in the country, at C\$9,000 per person.

- * Almost 400,000 Ontarians used food banks in 2011.

- * Almost one quarter of unemployed Ontarians are out of work for six months or longer.

- * Child care costs and university tuition fees in Ontario are the highest in the country.

The gap between the wealthiest and the poorest in Ontario is now at its greatest since the 1930s. The ruling class of Ontario, like its counterparts at the national and international level, has accomplished this by effecting a massive transfer of wealth from the bottom to the top, using the 2008 financial crisis as a pretext to accelerate its austerity drive.

Between 1976 and 2004, the chasm between the rich and poor grew ever wider. In 1976, the wealthiest 10 percent of Ontarians earned “just” 27 times more than the poorest 10 percent. By 2004, this had exploded to 75 times more. In the span of one generation, the top 10 percent have experienced a 41 percent increase in net wealth, but the poorest 10 percent have suffered a staggering 150 percent decline.

With almost one third of Ontarians earning within C\$4 of the miserable C\$11.25-per-hour minimum wage and the price of necessities such as housing, food, and utilities steadily rising, workers and their families increasingly find it difficult to meet basic expenses.

The relentless drive of the banks and corporations to increase profits, in addition to the anemic nature of the so-called economic recovery, has led to the shedding of 318,000 manufacturing jobs since 2000. At least 270,000 new jobs would be required to merely return Ontario’s employment numbers to their pre-recession levels. Instead, corporations have done the opposite, with major layoffs taking place on a monthly basis.

Kathleen Wynne’s Liberal government and its

Conservative and NDP predecessors have delivered decades of austerity.

In 2012, the Liberals, led by then-premier Dalton McGuinty, initiated the greatest spending cuts in the province's history, dwarfing those made by the hated Harris Conservatives in the late 1990s. When the Liberals took office in 2003, they essentially maintained the massive tax cuts for the rich and super-rich, as well as the savage cuts to welfare rates, which had been implemented by their Conservative predecessors.

As a result of these cuts to public services, which include a three-year public spending freeze that began last year and C\$7 billion in cuts over the past five years, the social services on which millions of Ontario workers depend have been gutted to the point of near-collapse.

Ontario's hospitals are the most underfunded in the country, and Ontarians pay more for health care expenses than residents of any other province. More than 30,000 Ontarians at any given moment are waiting for a hospital bed or long-term care, and hospitals regularly operate at or above full capacity.

Social and community services have been hollowed out as a result of drastic budget cuts. Wages within this sector have fallen precipitously as a result of these cuts, to the point that many workers in this sector are forced to use the same services and resources they administer.

"Falling Behind" repudiates the incessant gloating of government and big business representatives about the merits of the "free market" in creating a "just and equitable society." The real picture that emerges is that of debilitating poverty and hardship for the vast majority of Ontario's workers, and a feeding frenzy of unprecedented proportions for the wealthy.

At the same time, the Ontario Common Front, which is comprised of 90 community organizations and led by the Ontario Federation of Labour (OFL), maintains an indefensible silence about the role played by the trade unions and the NDP in facilitating this crisis. If "Falling Behind" is a list of crimes perpetrated against the province's workers and poor, then it is also an implicit indictment of the treachery of the union bureaucracy and the middle class "left."

The Ontario Common Front was created by the trade union bureaucracy in the wake of the 2011 Occupy protests as a way to corral oppositional and anti-austerity sentiment back behind the pro-capitalist perspective of the union bureaucracy. The participating community groups were solicited so as to give a left-wing gloss to the unions' thoroughly right-wing nationalist politics.

The unions, while historically tied to the social-democratic NDP, have in one shape or another supported the Liberals' bids for power since 1998 [<http://www.wsws.org/en/articles/2014/06/14/onta-j14.html>], when many major unions created the Ontario's Working Families Coalition to muster votes for the Liberals. Driven by fear of the explosive social power of the working class, which threatened to escape their control during the mass anti-Conservative protests between 1995 and 1997, the unions shifted further to the right, playing a critical role in bringing the big business Liberals to power in Queen's Park.

The stock-in-trade of the union bureaucracy is the promotion of "strategic voting," urging support for the "lesser evil" Liberals to prevent a hard-right Conservative government. Once in power, the Liberals invariably implement right-wing policies as demanded by the corporations and financial houses that line Bay Street.

Similarly, the NDP and its pseudo-left supporters, while posing as opponents of austerity and allies of the working class, represent the interests of a thin and affluent middle class layer. Dependent on the capitalist system for their privileged social status and hostile to socialism and the interests of the working class, they have rapidly shed their left-wing pretensions in response to the economic crisis and the resurgence of working class opposition to capitalism.

For 18 months between 2012 and 2014, Andrea Horwath's NDP was in a de facto coalition with the Liberals, enabling the passage of McGuinty's devastating austerity budget and its use of strikebreaking legislation to impose a cut in teachers' real wages. Over the opposition of the unions, Horwath only pulled her party's support in May 2014 in an attempt to salvage what was left of the NDP's tattered left credentials. This, however, did not prevent the NDP from running its most right-wing campaign ever in the ensuing election.

An exposure of the sordid machinations of the unions and the NDP would completely undermine the Ontario Common Front's legitimacy, existing as it does as a tool of the union bureaucracy.



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