

SECTION 4

The Changing Nature of Work and the Economy

Canada's economy is experiencing a profound structural change that will define and (in many ways) limit our economic prospects for decades to come. We are increasingly specializing in the production and export of unprocessed or barely processed natural resources — especially energy and minerals.

The growth of resource extraction and export, along with the startling erosion of our value-added manufacturing capabilities, has reversed Canada's previous progress toward becoming a more diversified and developed economy. Although deliberately fostering the development of value-added industries and reducing our national dependence on resource exports has been a policy preoccupation of Canadian governments since before Confederation, governments in the current era have adopted a much more passive role in economic development decisions. The market-driven specialization of Canada as global resource supplier has once again predominated, and free trade agreements (especially the NAFTA, which explicitly assigns Canada a role as energy storehouse for the U.S. economy) have been important in cementing this trend.

The Alternative Federal Budget believes that Canadians should take a long, hard look at the long-run consequences of this resource-led restructuring of our entire economy, and what it implies for our national economic and social prospects. We should not automatically assume that just because over-heated global commodity markets have driven prices for certain resources to extremely high levels (for now, anyway), we should therefore reorganize our entire national economy in response.

During this time of tremendous economic uncertainty and upheaval, many workers in Canada feel vulnerable. Workers facing unemployment are often one or two pay-cheques away from living in poverty, and it is tremendously important that the EI program is there to protect them.

Public services play a key role in mitigating the impact of economic instability for Canadians. The Conservative government is embarking on an aggressive campaign to privatize public services despite the fact that, in general, public delivery of public services is more efficient, less expensive, higher-quality, and more accountable than privatized delivery. Furthermore, decent public services ensure that everyone, regardless of their

level of income, has an opportunity to benefit, thereby reducing inequality and improving the economy. High-quality public services increase our overall and collective economic, social, and environmental security.

In many rural and urban areas across Canada, local communities and economies are suffering. Fortunately, we still have a wealth of skilled

and passionate people who work hard in and for their communities. Across Canada, these people have already helped counter decline by pushing for policies and programs that put local communities and their socio-economic well-being first. However, these efforts to rebuild and revitalize need the federal government's support.