

BUT IT'S A BAD IDEA BECAUSE...



THE NUMBERS DON'T ADD UP.

In April 2013, an economics student found four major errors in the Reinhart-Rogoff study, including a calculation error in the Excel file! Once these errors were corrected, the correlation between debt and economic recession became insignificant. Following these discoveries, the IMF quickly stated that austerity policies have not had and would not have the expected effects.



QUEBEC'S DEBT IS AMONG THE LOWEST.

If we look at Quebec's net debt, we see that it is among the lowest in the world, ranking at 134th place. Gross debt, the figure used by neoliberal institutions such as the Montreal Economic Institute, doesn't include the State's assets in its calculation, rendering it dishonest and overly alarming. To make a long story short, Quebec isn't in enough debt to justify austerity measures, which are ineffective in any case.



CORPORATIONS DON'T PAY ENOUGH TAXES.

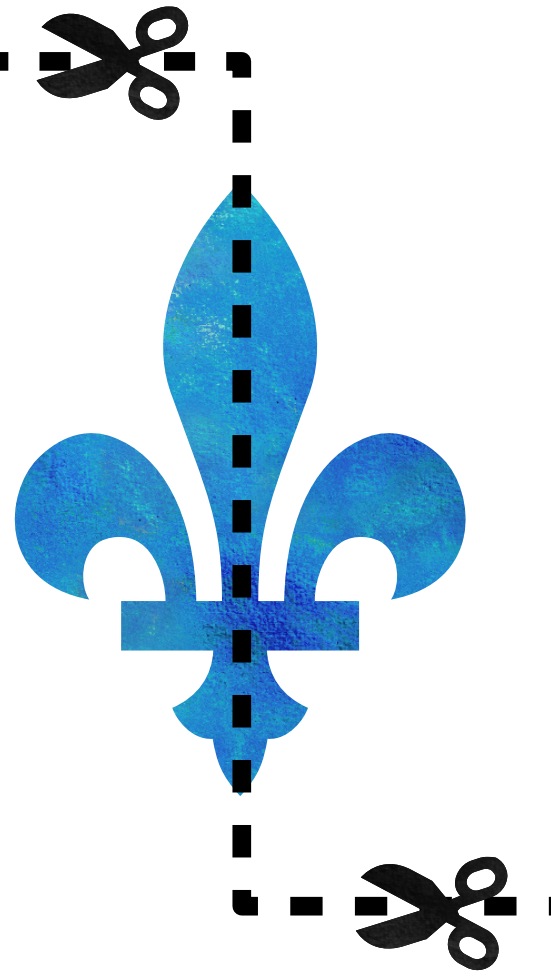
In the 1960s, corporations in Quebec were taxed at around 40%, whereas today, they only pay 15% in taxes. We see that the government prefers handing the fiscal burden over to taxpayers rather than corporations, while cutting social programs. Rather than announcing useless and harmful cuts to our public services, the government should ask corporations to pay their "fair share".

WHAT IS AUSTERITY?



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A BRIEF HISTORY OF AUSTERITY

1

Since the 2008 financial crisis, governments went into massive debt to bail out banks, which had apparently become "too big to fail".

2

Seeing debt levels rise, economists Carmen Reinhart and Kenneth Rogoff published a study showing that higher debt was associated with slower economic growth.

3

A chicken-and-egg debate ensued: does more debt slow the economy, or, more logically, would a worse economy cause more debt?

4

International finance organisations, such as the IMF, the World Bank, and the WTO, believed the first conclusion, and decided that to stimulate economic growth, debt must be eliminated; austerity was born, along with its québécois cousin, "zero deficit".

5

These organisations pressured governments into reimbursing their debt as quickly as possible by cutting their expenses, or in other words, their social programs.

AUSTERITY IN EDUCATION



TUITION FEE INCREASE

By increasing tuition fees by 3.4% each year, the PQ made Québec the province in Canada with the largest yearly tuition fee increase in terms of percentage. Regardless of the size of these hikes, they increasingly turn education into a commodity and inevitably reduce its accessibility.

CUTS IN STUDENT SERVICES

In times of austerity, universities begin by reducing services offered directly to students. For example, they cut audio-visual services, new book acquisitions and library memberships, rather than cut publicity or administrative services. Students must then seek out these services at their own cost, which particularly affects the most disadvantaged of us.

INCREASING THE STUDENT-TO-FACULTY RATIO

When they try to make the cost of each class “optimal”, administrations have a tendency to increase the number of students per professor, which in turn allows them to save on salaries and classrooms. This has a negative effect on the quality of education, affecting the interactions with students and making the subject matter harder to learn.

REDUCTION OF TEACHERS’ SALARY

The Treasury Board recently decided to cut CEGEP teachers’ salary by 5%, the equivalent of 3-4 work weeks. Additionally, the salary scale would no longer consider teachers’ masters or doctoral degree, or account for time spent working in their departments or in program committees.

DISCOVER OTHER CONSEQUENCES:

austerite.org/en/education

AUSTERITY AND THE ENVIRONNEMENT



PRIVATISATION AND DISINVESTMENT

The Marois and Harper governments grant private corporations the ability to exploit natural resources and to keep the royalties without any consideration for the environment, as seen in the case of shale gases, oil beneath Anticosti Island, and the proposed reversal of the Enbridge tar sands pipeline.

CUTS IN ENVIRONMENTAL OVERSIGHT

The State has cut environmental regulatory bodies: there have been 776 layoffs at Environment Canada, federal funding for ecological groups has ended, and the length of governmental studies on the environment has been shortened.

LESS ENVIRONMENTAL PROTECTION

Canada has begun environmental deregulation which reduces the ability to act for the environment. For example: withdrawing from the Kyoto Protocol, reducing protection for birds and rivers, etc.

AUSTERITY AND WOMEN



HARSHER CONSEQUENCES FOR WOMEN

All austerity measures disproportionately affect women, who even today earn only 70% of men’s wages on average. They therefore have fewer resources to compensate for the increased personal spending for basic public services.

PRECARIOUS EMPLOYMENT

Women tend to occupy more informal, precarious and underpaid employment (occupying 70% of all part-time jobs). New, stricter requirements in terms of the number of hours one has to have worked in a year in order to be eligible for employment insurance make women more vulnerable in they are laid off, since they might not be able to access these benefits.

AUSTERITY AND SOCIAL SERVICES



HEALTH: CUTS AND PRIVATISATION

Draconian budget cuts, resource shortages, disorganized efforts to reorganize the health system: these attacks have severe consequences. Patients very often pay the price of medication, bandages, and the recovery period in the hospital.

This user-fee logic disproportionately affects the most disadvantaged of us, since these costs have an impact on already-tight budgets. For example, because of the health tax, taxpayers must pay a fixed amount to compensate for these cuts, with no regard to their revenue (rich people pay the same as the poor). Also, as women are the principal users of the healthcare system, they will have to pay more while having to make do with smaller budgets on average.

CUTS IN WELFARE

The recent cuts in welfare harm the most vulnerable people in our society: families with young children, drug addicts, and people approaching retirement. To justify these measures, the PQ has no choice but to promote the lie that these people, who live well below the poverty line, are lazy. However, knowing that 10% of children in Quebec are raised in a family that depends on welfare, we understand the catastrophic impact of these cuts.

INCREASING HYDRO RATES

From now until 2018, residential hydroelectricity rates will increase by 22.2%. However, this year, Hydro-Quebec made over \$3 billion in profits. The economic justification for this increase that is invoked by the government makes no sense – Québec is one of the few places in the World that produces a surplus of hydroelectricity.

DISCOVER OTHER CONSEQUENCES:

austerite.org/en/social-services



AUSTERITY AND LABOUR

CUTS IN EMPLOYMENT-INSURANCE

The Harper government has recently considerably reduced employment-insurance (EI) benefits, and changed the rules in order to force people searching for a job to accept a lower salary than what they were previously paid, or risk losing their EI. The eligibility criteria have changed, making the program less accessible; on top of all this, turning down a job offer will now cause the benefits to be cut, even if the refusal is due to leaving the region or becoming pregnant.

FRAGILE RETIREMENT

In their latest federal budget, the conservatives have raised the age of retirement from 65 to 67 years, a measure which will come into effect in 2023. Additionally, they systematically favour private retirement funds (such as RRSP) where only the worker contributes, thereby profiting the financial sector which reinvests these funds.

UNION BUSTING

The Harper government toys with the idea of creating “right-to-work” legislation, which would put an end to automatic dues collection for unions, and would allow workers to benefit from the advantages negotiated by their union without having to contribute to its funding. In the United States, in states that adopted similar legislation, the number of lethal work-related accidents is 53% higher than elsewhere and the average salary is lower.



AUSTERITY AND CULTURE

CUTS TO PUBLICALLY FUNDED CULTURAL PRODUCTION

The National Film Board (NFB) has seen its funding cut by about 10%, forcing it to lay off 73 people and shut down the CinéRobothèque. Furthermore, the CBC had to abolish 650 jobs and reduce its local and regional media coverage.