

Governments Must Protect Middle Class

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Our free enterprise system has developed over the years to provide freedom of choice, and to promote hope and optimism for those who were willing to work hard and be responsible and trustworthy. Citizens who succeed best in a capitalistic free enterprise environment usually possess qualities that enable them to “get ahead” in life. They are motivated to improve their chances of success for themselves and for their off-spring. They strive to have a better life, experience fulfillment, and to have more satisfaction than they would have otherwise realized in their lives.

Whether people are rich or poor there is a strong ethical component that motivates them to improve the conditions in which they find themselves. Most of us want to make living better for ourselves and for those we love. The ethical part of the free enterprise system is that we require just and fair opportunities to make our efforts work for us. In an ethical system, it seems appropriate that when we do the “right” things and work hard we deserve to be rewarded.

In a free enterprise capitalist system, the success of the middle class is important. There are a number of reasons why the middle class is likely to be of greatest importance to successful capitalism.

First, the middle class are the most numerous. While the money required to support entrepreneurial ventures comes from the upper wealthy class, the labour required to turn projects into practical products like automobiles, houses, food products, etc., is provided by middle class workers. Secondly, it is this larger middle group who will purchase the finished products in sufficient quantities to warrant the capital investments devoted to various enterprises and developments. Thirdly, the middle class as a whole pays the largest part of taxes. Fourthly, standards of living in most democratic countries are measured by the success, or lack of success, of the middle class.

Let's take a look at how the middle class is fairing in Canada. Those who remain unemployed, and that includes many, are falling behind financially. There are over one and a half million Canadians who are working part-time, but are not able to keep their families out of a gradual decline towards poverty; this despite Statistics Canada's recent report that those fortunate enough to own their house find it has increased in value. In addition to these conditions, there are over half a million Canadians working full time whose incomes continue to slip below the basic costs of living.

Some cities across Canada have done calculations as to what level of wages would provide a "living wage" in their areas. For example, in Hamilton, workers would need to be paid approximately fifteen dollars per hour to maintain a standard of living that would prevent them from falling into the poverty level. A living wage varies with each community depending upon the costs for housing, heating, and food. In Vancouver, a living wage would require nearly twenty dollars per hour to stay above the poverty level.

Governments at all levels that cut back on benefits, exacerbate the problems of poverty. In an effort to cut expenses, governments may overlook the added pressure that occurs among middle class workers due to cutbacks. At the federal level, employment insurance for the unemployed is now harder to access. Increased costs occur for passport renewals, postal costs, and gasoline and fuel taxes continue to rise. Soon, the eligible age for Old Age Security Pensions will gradually rise from sixty-five to sixty-seven. At the provincial level, energy costs in Ontario are likely to rise considerably in the coming years. Apart from government services, the costs of transportation, home appliances, food and other necessities of life continue to increase.

In general, the middle class seems to have to work longer and harder just to keep up. Even then, many are falling behind and joining the growing ranks of the poorer lower class.

The ethical issue for the middle class is their willingness to work longer and harder to give their children and grandchildren the opportunities they will need. For those in government, the ethical question is how can the middle class be protected from falling behind and joining the ranks of the poor?