

Ethics and Economics Call for Support of the Middle Class

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Our free enterprise system has developed to provide freedom of choice and to promote hope for those who are willing to work hard and be responsible. Citizens who succeed best in a capitalistic free enterprise environment are motivated to improve their chances of success for themselves and their offspring to have a better life than what they may have inherited from their parents.

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

In a free enterprise capitalist system, the success of the middle class is important. In fact, it may be more important than for the poorer class and the upper wealthy class. There are a number of reasons why the middle class is likely to be of greatest importance to our country's welfare.

First, the middle class is the most numerous. While the money which is required to support entrepreneurial ventures often comes from the upper wealthy class, the labour required to turn projects into practical products like automobiles, houses and food is provided by middle class workers.

Second, it is this larger middle group who will purchase the finished products in sufficient quantities to warrant the capital investments devoted to various enterprises.

Third, the middle class collectively pays the largest total proportion of taxed income. Fourth, 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 are falling behind financially. There are Canadians who are working part-time but are not able to keep their families out of a gradual decline towards poverty. In addition to these depressing conditions, there are 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 earn approximately fifteen dollars per hour to maintain a standard of living that would not cause them to fall 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 approximately twenty dollars per hour to stay above the poverty level.

Governments at all levels that cut back on benefits in education or health care exacerbate the problems of the middle class. In an effort to cut expenses, governments may overlook the added pressure that occurs among middle class workers because of new cutbacks. Increased costs occur for passport renewals, and postal costs and gasoline while fuel taxes and food costs continue to increase. Energy costs are likely to rise in the coming years. In general, the middle class seems to have to work longer and harder just to keep up. Even then, some 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?

Fortunately the Canadian government in its budget for 2019 has recognized the need to have a strong economically sustainable middle class. Canada has had good economic growth in the past four years, especially in comparison to most other countries in the G 7 group. Government assistance in home ownership, retraining in workplace skills and lower drug costs are steps in the right direction. It continues to be important that the middle class can maintain a spirit of optimism about their future.