

# Government cut-backs

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High youth unemployment and cutbacks in government funding for post-secondary education are the new realities confronting students. The implications for most working and middle class students are either to abandon education altogether and to accept a future of McJobs and unemployment, or to be saddled with a lifetime of debt.

Since the end of WW II, science and technology have been playing a dramatically increased role in the process of capitalist production in Canada. As a result, there has been an increase in the demand for a more highly educated labour force. For example, between 1971 and 1986, jobs primarily concerned with the creation and utilization of data and technical knowledge have represented two-thirds of net job growth.

This has led to a rapid expansion in school enrolment. Between 1951 and 1993, the number of full-time post-secondary students has increased over tenfold, growing from 91, 000 to almost 1 million.

However, accompanying the scientific and technological revolution, is a tremendous growth in productivity that has led to higher levels of unemployment. Between 1980 and 1993, youth unemployment increased from 12% to 17. 5, leaving many with no other alternative but to remain in or return to school.

Since 1984-85, tuition fees have more than doubled across Canada, pushing more students into the labour market in search of income. While in 1980, 31% of full-time students, aged 15-24, held jobs during the school year; by 1989, this number had reached 41%. This worsening economic situation has also seriously interfered with the studies of college and university full-time

students, as almost a third of them were forced to work 20 or more hours per week during the school year.

Another reflection of the economic hardship of students is their growing debt burden. In 1984, 114, 000 Ontario students received around \$4000 million in student aid, by 1993-94, as tuition continued to increase, about 180, 000 students (representing almost half of full-time students) took out over \$1 billion in loans. The average value of loans in 1994-95 was around \$6800.

By 1998, the federal government is scheduled to eliminate a total of \$7 billion in transfer payments to the provinces for medicare, social assistance, and post-secondary education. The expected effect on Ontario university students is a doubling of their tuition.

But this is only the tip of the iceberg. Ontario's education minister, John Snobelen, has already made clear his government's intention to move toward a " market-based tuition fee". If both levels of government abandon their financial support for Ontario universities, tuition will reach minimum levels of \$7500-\$8000.

To counter the danger of a dramatic growth in defaults as it increases tuition fees, the federal government has transferred liability for student loans to the private banks. While increasing the role of the private banks in the short term, these changes set the pace for the full privatization of the student loan system. Another plan, currently under discussion, proposes collecting the loan repayments through the taxation system, i. e., Revenue Canada, through an Income Contingent Loan Repayment Plan (ICLRP). If the direction of government " reforms" is not reversed, it is only a matter of time before <https://assignbuster.com/government-cut-backs/>

students who are at a high risk of unemployment (disproportionately women) or who are expected to have a low income after graduation (again disproportionately women) are refused access to loans, while most of the rest are burdened with a lifetime of debt.

But the class nature of the privatization process has already become apparent. For 1995-96, the demand for first-year places is down by 5% in Ontario--20% in some faculties--leading many schools to turn toward recruiting drives and to lowering their admission requirements. Evidently, higher tuition is an obstacle for better qualified, poorer students, while offering an opening to less qualified, richer students.

Cut the deficit by taxing the big corporations

By focusing attention on expenditure reduction, the big corporations and the right-wing aim to deflect attention from the cause of the national debt: the decreasing tax revenues from corporations, which have declined from 20% of total federal revenues to only 7% in the last 20 years. Canada continues to have one of the lowest corporate tax rates in the industrialized world. Even the same level of corporate taxation as in the U. S. would provide an additional \$9 billion a year--more than enough to cover all the cuts in social spending scheduled by the federal government.

The ongoing cutbacks to education follow more than a decade of political and financial pressures promoted by federal and provincial governments in relation to social spending in general. Indeed, the education crisis cannot be separated from the overall crisis of the capitalist economy in Canada.

The critical challenge before us today is to bring together all the social elements that are hurt by the implementation of the big corporate agenda: to build wide coalitions of youth and students, workers, women, seniors, environmentalists, peace groups, farmers, aboriginal people, immigrants, and many others--in support of a genuine " People's Alternative" program. This program would provide for decent wages, stronger public health and child care systems, job creation programs, while restoring and increasing public funding for education.

Reversing the current cut-backs and building the people's alternative depend on escalating the student protests. As a first step, we must build strong grassroots organizations on campuses which can ensure wide student involvement in the mobilizations. Students and working people have fought a long battle to win the right to higher education, health care, UI, and other social programs. Today, we have to build the fightback against those who are bent on destroying our social programs and our right to a quality, accessible education.