This page was exported from - Shelburne Free Press
Export date: Fri Oct 30 3:48:53 2026 / +0000 GMT

Canada?s living standards continue to erode

by FRANK STRONACH

You don't need an economic study to tell you that prices have skyrocketed the past few years.

Any Canadian who buys groceries, fills up the gas tank, or pays rent knows that inflation has taken a big bite out of their take-home pay.

The same goes with our crumbling standard of living.

Canadians can sense that it's deteriorating in a number of ways: stagnant wages, fewer job opportunities, higher taxes, mounting debt and less money to pay the bills.

Even still, a new study released several weeks ago by the Fraser Institute confirmed what most Canadians already knew in their bones: our living standards are dropping.

The Fraser study revealed that Canadians' GDP per person ? a measuring stick for gauging the income of a country's citizens ? has been tumbling for the past four years. According to the think tank, we're stuck in one of the steepest and longest declines in living standards over the last four decades ? and it could get even worse in the years ahead.

Numbeo, the world's largest cost-of-living database, recently released their latest Quality of Life Index by Country that looks at measures such as purchasing power, health care, safety, pollution and traffic commuting. According to the 2024 Index, Canada now sits 33rd in the world, well behind countries such as Lithuania, Slovenia and Portugal. Just over a decade ago, Canada ranked #5 in the world.

But rarely does anyone ever ask the question: exactly why are our living standards and quality of life dropping? And what's more, what can we do to stop it?

One reason they're dropping is that we've abandoned the real economy ? the economy where you make things ? in favour of the paper-shuffling financial economy, where wealth is traded and managed.

Another reason is that we've forgotten that in today's global economy, we're engaged in economic warfare with countries who are hungrier and shrewder. These countries have well developed economic strategies to make their major businesses or national champions the dominant players in key industries like pharmaceuticals, airlines and automotive. These more aggressive competitors are taking jobs from Canadians and crushing our industries one by one.

The best example of a country with this sort of strategic approach is China, the world's newest industrial giant.

I've always been a big believer that a company should locate a portion of its manufacturing operations in the various markets where its products are sold. But many Western companies are only manufacturing in China so they can ship products back into their home markets in order to make higher profits, and in the process, they're eroding the economy of the country where they're headquartered. It's a formula for national economic suicide.

The global economy is spinning faster and faster with each passing year, which is why Canada needs to find new and better ways to remain globally competitive. Jobs are the most precious commodity in the world, and in an effort to raise the living standards of their people, countries everywhere are fighting tooth and nail to lure investments ? and the jobs that go with them ? to their shores.

It's baffling to me that we don't have a national economic strategy that seeks to build on our strengths in various key industries and

turn our immense natural resources into value-added products that can be sold to consumers around the world.

Another major factor for our economic decline ? the one most often overlooked ? is that our government has become bloated and top-heavy, and it's draining the country's wealth to meet the payrolls of massive bureaucracies in Ottawa, the provinces and many of our cities.

Our governments are too big, too intrusive, and too expensive. Businesses and taxpayers are paying for that overhead through steep taxes, and that in turn makes us increasingly uncompetitive on a global scale.

There are many other reasons for why our living standards are falling, including chronic underinvestment in product R&D by our biggest companies, a troubling lack of technically skilled trades training and education, and a repressive tax-and-regulatory environment that is stifling entrepreneurship and keeping many Canadian start-ups from growing and expanding.

But many of these problems can be fixed by adopting an Economic Charter of Rights. The Charter would put more money in the pockets of Canadians through profit sharing, straighten out our tax system, put the brakes on out-of-control government spending, and cut the red tape that has hamstrung our businesses.

Countries that apply these sound economic principles will prosper. Those that do not are destined to get left in the dust.

To learn more about how an economic charter could help restore our living standards, contact info@economiccharter.ca.