

How do we bridge the growing divide between the wealthy and the workers?

by FRANK STRONACH

The rich get richer and the poor get poorer, goes the old saying.

But is it true? It certainly seems to be the case in Canada.

A new report published by Statistics Canada last week showed that the wealth gap in our country continues to widen. According to the report, the richest 20 per cent of Canadians account for nearly 70 per cent of the country's total wealth, while the bottom 40 per cent of Canadians represented a meagre three percent of Canada's wealth.

During the third quarter of 2023, high-income Canadians saw their savings grow while low-income households experienced a decrease in savings as they struggled to pay bills, make higher interest payments on loans and mortgages, and fork out more for higher food and gas costs. In other words, while the rich got richer, the poor got poorer.

Joel Kotkin, an urban studies professor from California, wrote about the growing divide in wealth in his 2020 book titled *The Coming of Neo-Feudalism: A Warning to the Global Middle Class*. Kotkin cites California as a striking example of a modern neo-feudal state.

According to him, California is characterized by an ultra-rich upper class composed of tech oligarchs ? which he describes as a new aristocracy ? and below them, at the bottom of society, are the new ?serfs?, a large and growing segment of the population that is property-less and poor.

California's middle class, meanwhile, is evaporating as people and companies flee the state's high taxes, crime and suffocating regulations.

Canada is looking more and more like a neo-feudal state, with a small number of very wealthy individuals and an increasingly expanding lower class of people whose incomes and wealth are shrinking year by year. And in between these two groups is the bureaucratic class, which serves the very rich and powerful and keeps the rest of the people under their thumb with countless rules and regulations that restrict nearly every aspect of their lives.

So, what is the best course of action to bridge the growing divide between the wealthy and the workers in Canada?

I believe that we need to move into a new phase of capitalism where workers become partners in profitability and share in the financial outcome of the businesses they work for.

It's a key plank in the economic charter of rights I've been promoting to get Canada's economy back on a solid footing and to increase the living standards of millions of Canadians. Everything, in the end, hinges on the health of the economy.

If we laid the foundation for a profit-sharing economy ? one where workers are partners ? then we can not only raise the incomes of millions of Canadians, but we'll also unleash a boom in corporate productivity and innovation.

To make that happen, we need small businesses and concerned citizens across Canada to band together and push for the adoption of an economic charter of rights ? a charter that consists of proven economic principles for creating long-lasting prosperity.

When a country's middle class begins to crumble and the great divide in income grows larger, it will only be a matter of time before the country also starts to fall apart.

To learn more about the economic charter and how it could generate economic growth and prosperity, email me at info@economiccharter.ca. Or to learn more about the economic charter, visit: www.economiccharter.ca.