



CCPA calls for 2% GDP stimulus to create 407,000 jobs

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Ottawa (7 Jan. 2009) - The Canadian Centre for Policy Alternatives (CCPA) is calling for a one-year national stimulus plan to create 407,000 jobs, boost the economy by 3% and shield Canadians from the worst of the global recession.

As part of its annual Alternative Federal Budget (AFB) to be made public later in January, the centre released advance proposals Tuesday to stimulate the economy in the face of what is now often described as the worst economic downturn since the Great Depression of the 1930s.

Consistent with recommendations by the International Monetary Fund (IMF) and the Organization for Economic Co-operation and Development (OECD), the CCPA says its plan would inject \$32.9 billion (2.1% of GDP) into the economy to protect Canadians who experience loss of income.

It would also strengthen and build hard and soft infrastructure to address the challenges of climate change, income inequality and aging populations, the centre says

"We've laid out a bold and achievable set of initiatives that can protect Canada from the economic storm while building for future generations," says CCPA senior economist Armine Yalnizyan. "Our plan creates jobs and gives the economy a jolt of life just when it needs it ... now."

The projected impact of the plan on job creation and GDP has been validated by Informeteca Limited's macro-economic model.

Key investments outlined in the plan include:

• \$12.4 billion to protect the most vulnerable citizens by fixing the Employment Insurance (EI) program to ensure that more Canadians out of work get benefits, to reduce poverty and to provide income support for seniors, children and the working poor.

• \$14.7 billion to strengthen and build infrastructure by investing in municipal infrastructure, affordable housing, child care and post-secondary education. (This would also honour the First Nations Kelowna Accord.)

• \$5.8 billion to prepare for the future by investing in green infrastructure, training and education, and energy retrofits.

"This stimulus package is good for Canadians and its smart economics," says AFB coordinator David MacDonald. "Simply put, government spending initiatives outlined in this plan provide far more job creating stimulus than across-the-board tax cuts. People who have jobs spend; people who lose them do not."

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