

The Canadian Economic System

The Canadian Economic system is a combination of capitalism and socialism and is viewed by many nations to be obviously socialist. We are also referred to as a welfare state as we operate our economic system as a welfare capitalist system (meaning that we combine a mostly market-based economy with extensive social welfare programs). We have programs such as:

1. Employment Insurance that provide an individual with money when he or she is between jobs (the assumption is that a person getting EI is actively looking for work).
2. Social Assistance that provides financial assistance to those unable to work for a variety of reasons including lack of training/education, some form of disability, or the like.
3. Family Allowance that provides a set amount of money per child to a family with minor children living with them.
4. Subsidies that provide assistance in paying for medical insurance premiums, rent, day care providers and the like to families or individuals who fall below a certain income level.
5. Universal Health Care that provides affordable health care to all Canadians at a minimum monthly cost (in Alberta, there are now no monthly fees or premiums)
6. Education subsidies that provide the post-secondary institutions with financial assistance so that the student does not have to pay all of the real costs associated with getting post-secondary education. In 2009-2009, the tuition paid by a university student is roughly 10% of the real cost of her or his education).
7. Student loans that provide low interest loans to qualified individuals to assist them in paying for their post-secondary education. These are often associated with grants or debt reductions under some conditions.

Given that all of these programs (and others) are funded by taxes collected from citizens of Canada and that most of the individuals who collect the benefits above do not pay or pay very little taxes, are these programs necessary? If so, justify them and if not, which ones would you eliminate and why?