Case Study Analysis

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**Ontario should persist in its plan to increase the minimum wage to $15 an hour.**

The increase in the minimum per hour, the wage rate of Ontario is one of the most complex issues at the present time. The Progressive Conservative government of Ontario promised the general public to increase the minimum per hour wage rate from fourteen dollars to fifteen dollars in 2019. However, now the labor minister of the government has announced to keep the minimum wage rate at fourteen dollars. The decision is causing agony among a certain section of the society, while some other sections of the society have approved it. Most of the general public, as well as influential members of the society, are of the view that Ontario should persist in its plan to increase the minimum wage to $15 an hour, not considering its impact on the other segments of the society. Increasing the minimum wage to $15 an hour may add more to the pocket of the low-income group of the society, however, it would also increase poverty in the society as the prices or rate of goods and services will increase.

Ontario should not persist in its plan to increase the minimum wage to $15 an hour because the previous experimentation of the society has proved the fact that it would not help eliminate poverty from the society. Before 2018, the minimum wage rate of Ontario was 11.60 dollars per hour, which was increased to fourteen dollars in January 2018. The immense increase in the wage rate gave rise to a number of other issues. The most important pot of them was that the rate of poverty was increasing and not decreasing in society. Another issue in this regard was that the low-income groups of the society were not among the poor population, therefore the increase in the minimum wage rate did not bring any opportunity of progress for them. Another major issue caused due to the sudden and immense increase in the wage rate was that the rate of goods and services increased, which caused a great toll on the pocket of the consumers. It specifically impacted the food business in the way that the business owners had to pay more wages to their workers, due to which the increased the prices of their services. In addition to it, the economists are of the view that the increase in the minimum wage rate also impacts the availability of jobs, because the business owners are not in a position to pay according to the increased wage rate (Moreau, 2018).

The Progressive Conservative government of Ontario promised the general public in its 2018 spring election campaign that the minimum wage rate would be increased from fourteen dollars to fifteen dollars by January 2019. However, at the start of the New Year, the labor minister of the government has announced that the minimum per hour wage rate will remain the same as fourteen dollars. The government has not shed light on its future plans about increasing the minimum wage rate. However, it has discussed that the previous huge increase in the minimum wage rate affected the business, so now the government wants to give them an opportunity for progress. On the other hand, it is also very important to take care of the needs and rights of the low-income group f the society and the government will do that by amending the tax laws for the low-income groups of the society (Brouillette, Cheung, Gao, & Gervais, 2017).

One of the most important reasons that Ontario should not persist an increase in the minimum wage rate is that it will actually increase the poverty rate in the society, instead of decreasing it. The purpose of increasing the minimum wage rate is to increase the earning level of the population, who would be able to spend comfortably. The results of the previous change in the minimum wage rate have depicted the fact that with the increased earning of the low-income group, the prices of goods and services also increased. Due to this situation, the low-income group was forced to spend more according to their consumer needs and were not able to save more. Moreover, they had to pay their taxes as well. Apart from the low-income groups of the society, the increase in the prices of services was the same for all the other groups of the society, which contributed to the increase in poverty. Moreover, the decision about increase or decrease in the wage rates should be handled by the economists, by checking the patterns of the economy, and the politician should not have any right to implement the policies without consulting their impacts on the general public. In order to provide benefits to the low income groups, as well as reduce poverty from the society, the government can play an efficient role by reducing the barriers towards accessing the job market, amending the tax laws for the low income group and allowing tax exemption in certain cases (Lammam, & MacIntyre, 2018).

The increase in the minimum wage rate of the society has the potential of increasing poverty, so the government should not increase it. In addition to it, the economists should implement such changes, while analyzing the situation and politicians should not make the decision, without knowing the impacts. The government can play its role in the scenario by amending the tax laws, as well as providing greater opportunities for employment, in order to make the society progressive.

References

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