



## **Austerity is a Choice. So is Prosperity.**

A statement from the Centre for Local Prosperity

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Nova Scotia is at a crossroads.

At a moment defined by rising food insecurity, a worsening cost of living crisis, climate instability, housing stress, and widening inequality, our provincial government has chosen to cut funding to the very organizations and programs that hold communities together. Arts and culture groups. Food security initiatives. Environmental and community-based programs. The connective tissue of civil society.

More than 250 grants have reportedly been cut or reduced in this budget, touching nearly every corner of the province.

These cuts are being framed by the Province as prudence. As belt-tightening. As responsible governance. Except it isn't. It's austerity.

It's short-sighted and economically incoherent. And it represents a failure to meet the moment.

Nearly one in three Nova Scotian households now experiences food insecurity, and those figures are inequitably felt, as rates surge to 46% for Black Nova Scotian households. Food banks are reporting record demand. Corporate concentration is hollowing out our food system and causing farmers to go out of business at alarming rates. Community organizations are overstretched. And yet in that context, we're cutting food security initiatives.

We're cutting arts and culture, pretending we're trimming "excess".

We're cutting the very community infrastructure that anchors identity, tourism, employment, and community cohesion. We're pushing real costs onto health care, schools, municipalities, and families who are already stretched thin.

This isn't fiscal responsibility. It's the ideology of austerity masquerading as responsibility.

It doesn't have to be this way. There are practical alternatives already being used elsewhere and here at home.

There's another path.



## **The Missed Opportunity, and What We Could Do Instead**

Nova Scotia doesn't need to cut public funding. It needs to redirect it.

Across the Atlantic, *old* Scotland, our province's namesake, just passed the [Community Wealth Building Bill with cross-party support](#). They didn't do this because times are easy. They did it because leaders recognized that endless extraction, economic leakage, and dependence on global capital markets are not strategies for resilience.

Community Wealth Building is practical. It asks straightforward yet powerful questions, such as: Who owns the assets in our economy? Where do public dollars go when governments spend? Do those dollars circulate locally, or leak away? Are we building local capacity, or deepening dependency?

At the Centre for Local Prosperity, our [import replacement research](#) found that at least 40% of dollars spent in Atlantic Canada leave the region and do no economic good locally. Four out of every ten dollars gone.

That's not a geography problem, but rather a structural design problem.

And austerity does nothing to fix that.

The real opportunity sits in how public dollars are already spent. Government doesn't actually need to spend more to strengthen local economies. It needs to spend differently.

### **Cuts Don't Reduce Costs. They Increase Them.**

Food insecurity isn't a mystery. [As Feed Nova Scotia recently stated](#), it's a political choice. Hundreds of thousands of Nova Scotians are food insecure because of inadequate incomes, unaffordable housing, and precarious labour markets. Schools are expanding breakfast programs because kids are arriving hungry. Community food organizations are running on fumes while demand continues to climb. Many of these organizations are also the ones building local supply chains, supporting local producers, and keeping food dollars circulating within their communities.

When we cut food security initiatives, we don't actually reduce costs. We simply kick the can down the road and we shift those costs onto other key parts of the system. We shift them to emergency rooms, to schools, and to social services. To families who are already stretched to the breaking point.



The same is true for arts and culture. In Nova Scotia, cultural institutions aren't extras. They're economic anchors. Local museums, festivals, publishers, and arts organizations drive tourism, animate main streets, and support local employment from Cape Breton to Yarmouth. They shape identity and rootedness. When small museums close or cultural programming disappears, communities lose culture, visitors, foot traffic, local spending, and reasons for young people to stay.

Cultural infrastructure is economic infrastructure. It circulates money locally and strengthens community wealth in ways that spreadsheets rarely capture but communities feel immediately when it disappears. Every festival, museum, and local publisher supports a web of small businesses, contractors, hospitality workers, and local suppliers.

Environmental organizations are also facing cuts and uncertainty. At the same time, policy decisions affecting forestry, wildlife protections, and natural resource management are raising alarms across the province.

Climate resilience isn't optional. It's infrastructure. Nova Scotia's *Environmental Goals and Climate Change Reduction Act* sets ambitious and legislatively-binding targets. Those goals don't implement themselves. Much of the on-the-ground work happens through community organizations, local stewardship groups, and environmental nonprofits working in partnership with government and communities. Nova Scotia's environmental targets can't be met while dismantling the community capacity required to implement them.

If we're serious about meeting climate and conservation targets, dismantling that capacity makes no sense. You can't set bold goals on paper while weakening the very organizations doing the work on the ground.

This moment also sits within a broader conversation about land, stewardship, and treaty responsibilities in Mi'kma'ki. Economic decisions made today shape not only budgets, but our relationships to land, community, and future generations.

## **Public Spending is an Economic Engine**

The Province of Nova Scotia already spends billions every year through departments, schools, hospitals, and public agencies to purchase food, construction services, energy, technology, and supplies.

The question isn't whether the government spends, but where that spending goes.

When funding is pulled out of community programs and local organizations, fewer public dollars circulate locally. More leak outward. That weakens local economies instead of strengthening them.



And that's not abstract. It's how leakage works. Dollars leave. Ownership concentrates. Communities become more dependent on corporations instead of local businesses.

[Our procurement research](#) found that local vendors re-spend approximately \$0.40 of every contract dollar within their county and nearly \$0.80 within their province. That's retained value. That's circulation. That's local economic activity created without new spending.

Take our province's food system, for example. Corporate concentration in our food system has reduced farmer agency, hollowed out regional processing, and deepened our reliance on imported food sold through national chains.

Austerity ignores the opportunity.

The answer is investment into relocalized food systems. More agroecological production. More scale-appropriate infrastructure and regional processing. More public procurement tenders that actually support family farms and cooperatives.

That requires investment. Not shrinking from the moment.

Community Wealth Building recognizes that public procurement, ownership models, land stewardship, and place-aligned finance are tools for resilience. These aren't fringe ideas. Scotland just legislated them into law. They're being piloted across Europe and the United States in real time.

Nova Scotia can choose to lead here.

## **A Relocalized Economy Builds Prosperity**

Relocalization is foundational to resilience. It means strengthening foundational sectors that can't be offshored such as care work, food systems and fisheries, housing, cultural production, renewable energy, and local infrastructure.

It means reducing wealth (and tax) leakage by supporting local ownership, cooperatives, community land trusts, and inclusive enterprise models.

It means funding decisions that keep more money circulating in Nova Scotia communities, instead of flowing out of them.

It means designing grants, procurement tenders, and public investments to build long-term local capacity rather than short-term patchwork fixes or cutting them all together.



It means recognizing that migrant workers, farmers, artists, impact sector workers, and community organizers aren't line item expenses to be cut. They're economic actors who sustain the fabric of this province.

It means acknowledging that rural and coastal communities have generated wealth for generations through fisheries, forests, farms, and labour, while too much of that value has flowed outward.

And it means having the courage to redirect spending accordingly, instead of cutting and shooting from the hip.

### **This is a Moment of Choice**

Austerity is easy. It signals control. It looks decisive.

But austerity has never solved structural problems.

If Nova Scotia wants to build true sovereignty and resilience, it must stop cutting the institutions that knit communities together and start redesigning how public dollars circulate.

The frustration in this moment is real. It's earned. And we believe it can be put to good use.

Instead of cutting funding in a desperate bid to keep an extractive economy on life support, we can seize this moment to redesign how public dollars circulate, who owns assets, and how foundational sectors are strengthened to the benefit of all.

Old Scotland has shown what that can look like. Now *New* Scotland has to decide whether it wants to follow.

Prosperity doesn't happen by accident. It's built and stewarded over time. So is austerity. Nova Scotia still has time to choose which one it wants.

### **What You Can Do, Right Now**

In the coming days and weeks, we encourage Nova Scotians to do two things: [First, contact your MLA](#). Let them know that cutting community infrastructure in the middle of a polycrisis is not acceptable.

Second, [participate in the newly launched Engage Nova Scotia Quality of Life survey](#) that was just launched this week. If we want an economy that actually serves people and place, we need to measure what matters and invest accordingly.