

Alternative  
Federal Budget  
2022

# Mission critical

A just and  
equitable recovery



Canadian Centre  
for Policy Alternatives

## **Alternative Federal Budget 2022**

*Mission Critical: A just and equitable recovery*

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## In memoriam

We mourn the passing of Dr. John Loxley in July 2020. John started the alternative budgeting movement in Winnipeg in the 1990s and helped move the idea to national significance at the CCPA's Ottawa office.

The CCPA's Alternative Federal Budget series celebrates its 26<sup>th</sup> year in 2021, a legacy of John's deep impact on us all.

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# Introduction

The quality of our collective future hangs in the balance.

**A**S COVID-19 CONTINUES to disrupt our lives and strain every system that we rely upon, it is mission critical that all governments work as a united front to steward a just and equitable publicly led recovery.

Canada faces no shortage of challenges and crises; for some of these, we've been sounding the alarm for years. The COVID-19 crisis has brought many of these concerns to the forefront. And the challenges are far from over. Uncertainty is the new certainty.

Global supply chains remain fragile.

Precarious and gig work continue to deepen income and food insecurity for too many workers.

Impossibly high rents and housing prices leave many people financially squeezed and overleveraged.

Alberta and Saskatchewan health care systems are in chaos.

Health inequities have been exposed and exacerbated by the pandemic but they, too, have long existed in Canada.

Since we started publishing our annual Alternative Federal Budget (AFB) in the 1990s, the Canadian Centre for Policy Alternatives has been sounding the alarm over deeply entrenched income and wealth inequality in Canada—especially for women and marginalized genders, racialized and immigrant communities, Indigenous Peoples, and people with disabilities.

Democracies that tolerate high levels of inequality find themselves on shaky ground. The absence of a level playing field can be polarizing; it erodes trust in one another and in our institutions, while deepening fears that too many of our children and grandchildren will be left behind.

And that other existential crisis—the climate crisis—continues to threaten communities, forests, farmers' fields, water supplies, air quality, and, significantly, the fate of entire species. We are experiencing the effects of climate change now and, as always, it's the most vulnerable who pay the price. A just transition is the only way forward.

Tackling these challenges requires a united front, with strong federal leadership and a Parliament whose main mission is an inclusive, publicly

led recovery. Especially in a minority government situation, every party with elected seats has a role to play in this critical mission. The situation also requires a clear strategy, and demands engagement with other levels of government. The quality of our collective future hangs in the balance.

During this global crisis, we have turned to governments to step in and protect the public. Even the “market” looks to governments for support. The pandemic has shown us how central public health is to both the economy and to community well-being. If the pre-pandemic agenda was about prosperity for the few, the post-pandemic agenda must be about well-being for the many. That includes confronting some uncomfortable truths about Canada’s colonial history and the racial discrimination that remains entrenched in our society to this day.

This year’s Alternative Federal Budget (AFB) centres income and health equity for all as mission critical. This AFB shows us how to achieve that mission with strong federal leadership. We’ve laid out our blueprint for transformative change in nine intersecting chapters:

1. An income security plan
2. High-quality social infrastructure and a vibrant care economy
3. Health Equity: Health and well-being for all
4. A vision for inclusion and well-being
5. First Nations’ well-being
6. A vision for job creation and decent work
7. Physical infrastructure for people, biodiversity, and planet
8. Canada in the world
9. A path to a fairer tax system

The AFB plan is built on workable solutions to meet our society’s most pressing challenges, and our macroeconomic overview shows how we have the means to pay for it.

CCPA research has shown that Canada’s labour market is highly inequitable, reinforcing a stubborn income gap between men and women, racialized and non-racialized people, Indigenous Peoples and non-Indigenous people, immigrants and Canadian-born residents. It also shows that the income gap remains entrenched all the way into retirement.

This AFB lays out a series of income security reforms to create a predictable income floor, including Employment Insurance (EI) reform, a new Canadian Disability Benefit and a new Canada Livable Income for low-income working-age adults, as well as expansion of the Guaranteed



Income Supplement (GIS) for seniors and the Canada Child Benefit for families with children. This AFB also promotes social assistance reform through an increase in the Canada Social Transfer, conditional on the provinces increasing social assistance rates. An inclusive, publicly led recovery means that no one gets left behind.

The pandemic has shown, in no uncertain terms, that public health cannot be separated from the broader social, economic, and political environment. This AFB introduces a new approach to health care in Canada—one that addresses the social and ecological determinants of health, with the goal of health equity for all. It factors in the human and economic benefits of investing in prevention.

Canada's care economy is central to this mission. This AFB supports the \$10-a-day child care plan that is unfolding across Canada. But, as it does with long-term care, this AFB lays out a plan to take the profit motive out of child care. We also lay out a plan to finally ensure that our health care system catches up with the needs of everyone residing in Canada by extending the public system to include pharmacare, a national mental health program, a dental care plan, and 10 paid sick days for all.

These are fundamental rights. Women, especially racialized and immigrant women, make up most of the care economy workers. The pandemic is a reminder of the valuable work that they do. This AFB invests in care workers as part of our overall workforce renewal strategy.

The mission to steward a just transition away from an oil and gas economy has never been more critical, and this AFB recognizes the need for a national plan to help workers transition into a new green economy—one that is sustainable. This includes a physical infrastructure plan that is green and that creates more livable communities.

This AFB also lays out a path toward a more inclusive economy, good jobs and protections for workers, in part by ensuring that federal procurement increases social value and contributes to community development.

And because we know that an inclusive, publicly led recovery is mission critical, this AFB sets out a fiscal plan that shows Canada has all of the tools it needs to fund this transformative change.

We agree with economist Marianna Mazzucato's central premise for government budgets: "The wrong question is: how much money is there and what can we do with it? The right question is: what needs doing and how can we structure budgets to meet those goals?" to create "a purpose-oriented economy."

Our proposals include a suite of options to implement a wealth tax, close tax loopholes, tackle tax dodging and increase transparency. The

AFB will tax excess corporate profits accrued during the pandemic. It will restore the general corporate tax rate to 20%. It will expand the base for the federal corporate capital tax, increase the rate, and eliminate exemptions. Yes, we will be asking those who have benefited most from how things are to contribute more to making things better for everyone. And we will do what it takes to strengthen climate action with more effective pricing of pollution.

In the past, Canada has risen to the occasion when the stakes were high.

For instance, following the Great Depression and the Second World War, as Canada's veterans were returning, governments understood that they needed housing, jobs, and income support to reintegrate into society.

In the post-war era, Canada created a social safety net and a progressive tax system that served to reduce income inequality while growing the middle class.

In 1965, a Pearson-led Liberal government was returned in minority form. Working with the NDP, that government implemented transformative public policies, such as a national universal health care system, a public pension plan, and more affordable university tuition. It serves as a striking example of what minority governments open to cooperating for the common good can achieve.

Our government must answer today's call, which is different but equally significant, as we continue to navigate our way through multiple and overlapping crises. And it must do so in a way that ensures we do not reinforce existing inequities. This AFB sets out a clear mission for Canada's federal government and it lays out an integrated plan to ensure a just and sustainable recovery.

It's an ambitious, transformative agenda and it is within our reach.



## Chapter one

# An income security plan

Protecting people from falling between the cracks.

**INCOME SUPPORTS IN** Canada are increasingly moving toward a basic income approach that places a floor under incomes. Unfortunately, working-age adults without children face much higher levels of poverty than other groups, yet there are few income supports for that group. Indigenous Peoples, racialized people, people with disabilities, women and gender-diverse people, newcomers, and migrants also face disproportionately high poverty rates.

Old Age Security (OAS) and Guaranteed Income Supplement (GIS) create an income floor for seniors and the Canada Child Benefit (CCB) does so for families with children, although these benefits are not always adequate to meet basic needs. These represent two of the four pillars of income support that Canada needs. Two other pillars are missing: one for working-age adults without children and one for people with disabilities.

Lack of income is at the root of food insecurity. Canada has ratified the UN International Covenant on Economic, Social and Cultural Rights, which legally obligates our government to guarantee its citizens the right to adequate food. Food is a basic human right,<sup>2</sup> and we all have the right to feed ourselves, our families, and our communities in dignity. Since ratifying the Covenant in 1976, the federal government has had an international obligation to respect (to not infringe upon), protect (prevent third parties from infringing upon), and realize (put in place programs) this right. Yet before COVID-19, more than 4.4 million people in Canada were already living with food insecurity, and these numbers continued to rise.

Our current federal income support system has almost no support for working-age adults who don't have children and who aren't seniors but who are in the low income category. In fact, single working-age adults without children have the highest poverty rate in the country, higher than those among children or seniors. That group, including those aged 18 to 62, can access the Canada Workers Benefit (CWB), but only if they earn sufficient income. Because poverty often stems from exactly the problem of not earning enough income, the CWB does a poor job of supporting

those working-age adults with the lowest incomes. Social assistance is often the only source of income support in those circumstances, and the benefits provided through social assistance fall well below the poverty line in all provinces, territories, and First Nations communities. Furthermore, social assistance is often punitive and stigmatizing, raises barriers to employment, and disincentivizes furthering one's education.

People with disabilities also endure a high level of poverty. If Canadians with disabilities are considered at all in the context of income support, it is through a disability top-up to other pre-existing income support programs. The non-refundable Disability Tax Credit is only available to those with income that is high enough to pay taxes. Canadians with disabilities are heavily over-represented among social assistance recipients, largely because there is simply no other support system available, particularly federally.

To address these two issues (i.e., limited or no support for working-age adults without children and for those with disabilities), the AFB will create the two missing income support pillars through the new Canada Livable Income (CLI) and the Canada Disability Benefit (CDB). The social architecture of the four federal pillars will allow Canadians to rely on an appropriate minimum income from cradle to grave. The next step will be to ensure that the benefits are sufficient to meet basic needs. These pillars of minimum income will exist alongside the main federal social insurance programs: Employment Insurance and the Canada Pension Plan. It is essential to ensure that the lessons from the Canada Emergency Response Benefit (CERB) are built into jobless benefits so that we'll be better prepared for the next crisis.

These four federal income support pillars will also help support the one provincial pillar of income security: social assistance. Unfortunately, social assistance is far from a basic income. Barriers to obtaining benefits are significant, benefit levels vary substantially from province to province (although they are vastly inadequate everywhere), and retaining benefits often comes with paternalistic and stigmatizing treatment, surveillance, and behavioural conditions from government. The AFB will move to improve these systems with a new supplement to the Canada Social Transfer combined with conditions that provinces and territories must meet in order to receive the transfer.

The pandemic pushed Canada's Employment Income (EI) support system to its breaking point, necessitating its partial replacement with the CERB. As the need for CERB declined, the EI system was restarted, retaining several of the CERB innovations. As the pandemic eventually comes to a close, it's imperative that we retain the innovations to jobless

benefits brought in by the CERB. This AFB makes fundamental changes to the EI system without waiting for another commission or House of Commons committee study.

A significant problem with the federal government's income support programs is that many people fall between the cracks. They are the ones who face systemic discrimination and marginalization based on their social, cultural, and economic locations such as Indigeneity, race, ability, gender expression and orientation, disability, lack of citizenship status, and family status, among others. The AFB takes specific action to reduce poverty in Canada by removing systemic barriers, advancing equity in the system, and including those who have been historically left behind.

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## **Income supports to create a predictable income floor**

Income security in Canada should rest on four federal pillars and one provincial/territorial one. The provincial/territorial pillar is social assistance programs, which should be considered the support of last resort. In theory, social assistance can act quickly to help prevent Canadians from falling into abject poverty. In practice, benefits can be difficult to access and inadequate to meet basic needs. Moreover, Canadians with disabilities make up a substantial proportion of social assistance recipients, which reflects, in part, the lack of a coherent and comprehensive federal benefit program.

The AFB will create, as noted, two new pillars of income support: the CLI for working-age people without children and the CDB for people with disabilities. However, provincial social assistance programs still need improvement, and all of the pillars need to work together so that the new federal supports do not inadvertently become federal transfers to provincial governments if social assistance is clawed back.

### **Create the Canada Livable Income for those 18-62<sup>3</sup>**

There are limited federal benefits for Canadians aged 18 to 62 who do not have children. The largest benefit available to this group is the Canada Workers Benefit (CWB), which was substantially increased in the 2021 federal budget when changes were made that almost doubled the aggregate amount to be paid out in 2022. Nonetheless, the CWB's maximum payout (only \$1,400 a year or \$2,400 for a couple) is small and far lower than benefits for seniors or families with children.

The CWB is also fundamentally flawed. It is not a basic income approach that is accessible to all; instead, it is restricted to those with

earned income. Specifically, unless one has \$3,000 in earned income, the annual \$1,400 (for single individuals) or \$2,400 (for couples and families) benefit is not available. Many of the poorest Canadians between 18–62 years of age live in poverty because they can't work, for various reasons (e.g., disabilities, sickness, lack of support, lack of accessible jobs). Therefore, the CWB—which, again, represents the largest benefit available to those aged 18 to 62 who do not have children—is not available to those with the lowest incomes.

Moreover, the CWB is structured to increase as earned income increases above \$3,000, rather than just starting out at the maximum value. This structure disadvantages those who must rely on precarious, irregular, or unstable work and reinforces outdated, stigmatizing assumptions (e.g., low-income people won't work or need incentives to work). This AFB wholeheartedly disputes this false, discriminatory assumption. Low-income Canadians don't need judgment, they need a predictable income floor that is high enough to drive down the poverty rate. **Accordingly, this AFB would cancel the CWB and replace it with the new Canada Livable Income (CLI).**

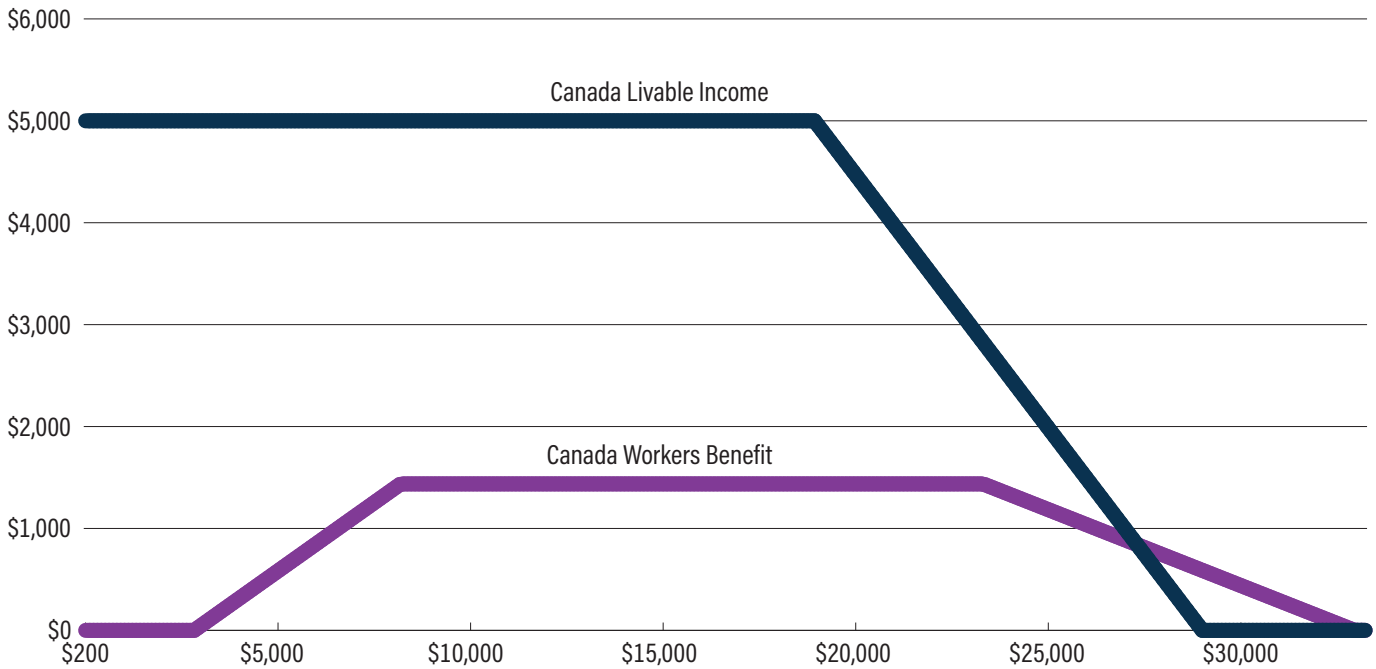
The new CLI would not use employment income as an eligibility requirement and it would be a non-taxable benefit. As illustrated in the figures below, the CLI would start at its full value of \$5,000 a year for single individuals and \$7,000 a year for couples. After a person receives a net income of \$19,000 or more (\$21,000 for couples), the benefit would phase out by \$0.50 for every new dollar in earned income. The benefit would be available for Canadians aged 18 to 62 who don't have children. As discussed below, those aged 63 would benefit from changing age eligibility for the GIS.

We recognize that these changes might be detrimental to certain low-income families because those with children wouldn't be eligible for the benefit. For that reason, the AFB would maintain CWB benefits for parents for the next five years. This would cost \$886 million in the first year, although the cost would decline over time as many of those parents rise back out of poverty.

Persons with disabilities would have access to the new Canada Disability Benefit (discussed below) and could choose either that or the CLI, but not both. The CLI (the third pillar of income security in Canada) would be paid quarterly. The AFB would work with the provinces to ensure that the CDB and the CLI credit are not clawed back in the presence of provincial programs; notably, social assistance.

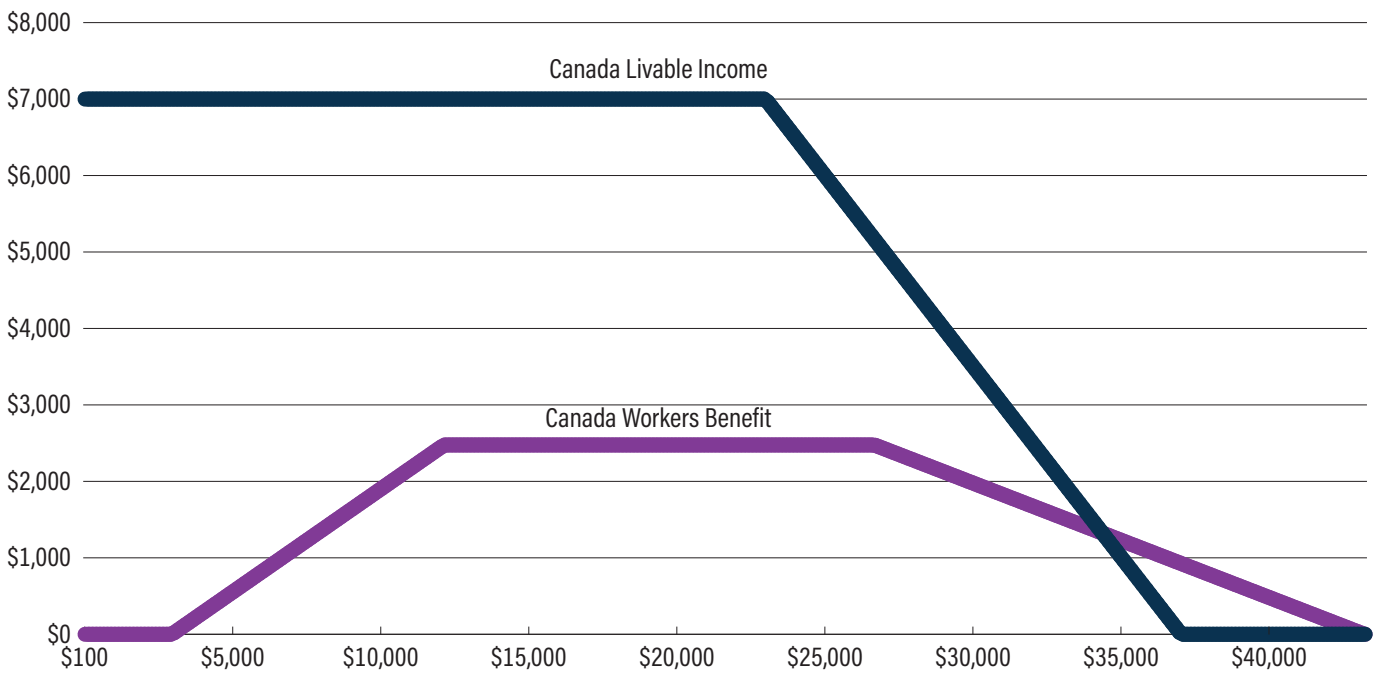
The CLI would fill a substantial hole in our Canadian income safety net system and would lift an estimated 400,000 people out of poverty (based

**Figure 1.1 Canada Livable Income for unattached individuals**  
Benefit value by census family net income



Source Author's projections

**Figure 1.2 Canada Livable Income for couples**  
Benefit value by census family net income



Source Author's projections



on the Market Basket Measure) at a cost of \$6.1 billion a year (net the cancellation of the CWB).

### **Create a Canada Disability Benefit**

The fact that people with disabilities overwhelmingly live in low-income circumstances is often an afterthought in program design. There are disability top-ups, in the CWB, for example, and there is a minor tax credit for Canadians with disabilities. However, these patchwork efforts do nothing to face the problem head on. For far too long, Canadians living with disabilities have been left to rely on provincial social assistance programs for support. As per the fall 2020 speech from the throne and the 2021 federal budget, the federal government has recognized the need for a benefit for people with disabilities. The AFB will follow through on that promise by creating the Canada Disability Benefit (CDB).

The implementation of this new CDB must be carefully planned and rapidly implemented. The benefit would be set at \$11,040, and recipients could make up to \$15,000 in earnings before the \$0.50 clawback (for every new \$1 of earned income) begins. In this way, the benefits would totally phase out when one reaches \$37,000 in employment income. This benefit would be available to anyone with a disability aged 18 to 62, but it could not be combined with the CLI, as discussed above.

In the first year, the AFB would extend this benefit to all who meet the Canada Revenue Agency criteria for the federal Disability Tax Credit or who were receiving the disability benefits associated with the Canada Pension Plan. As a first step, the CDB would be structured as a refundable tax credit and it would replace the existing non-refundable Disability Tax Credit. As a refundable tax credit, the CDB would be protected from clawback by provinces. This first step, which could be implemented rapidly, would cost \$900 million in the first year in new money, net of the cancellation of the Disability Tax Credit. A significant problem that remains, however, is the federal definition of disability, which is too narrow.

Beyond the first year, the AFB would, with the help of the provinces, extend the CDB of \$11,040 to all provincial social assistance recipients who have disabilities based on provincial definitions. This would raise the net federal cost to \$6.6 billion across all provinces after the Disability Tax Credit is cancelled; however, it would result in net provincial savings of \$1.5 billion. As part of this co-ordinated arrangement, the provinces would agree to use this \$1.5 billion to expand their own social assistance programs.

Upon full implementation of the CDB with its social assistance component, an estimated 647,000 people with disabilities would be lifted out of poverty (based on the Market Basket Measure).

**The AFB will implement an \$11,040 Canada Disability Benefit, which will stand as the fourth pillar of income security.**

### **Expand Guaranteed Income Supplement (GIS) to age 63 instead of boosting Old Age Security (OAS) for those 75 and older**

Budget 2021 increased the Old Age Security (OAS) benefit by 10% for those over 75. However, most of the seniors receiving OAS don't live in poverty, thus reducing the impact of this decision on poverty reduction. This AFB would instead use the \$1.6 billion devoted to this change to decrease the age of eligibility of the Guaranteed Income Supplement (GIS), which targets the lowest income seniors from 65 to 63.

This change would cost \$1.6 billion, but it would be offset by cancelling the OAS increase above age 75 (itself worth \$1.6 billion). This would lift an estimated 73,000 people out of poverty (based on the Market Basket Measure).

Low-income circumstances among those in their 60s predicts shorter life expectancy. Poverty rates decline substantially when adults reach age 65 because they become eligible for OAS and the GIS, which provide an income floor. For those with children, this may be the first time they have an income floor since receiving child benefits.

The poverty rate for adults in their early 60s is high, in part because some members of this group can no longer work due to injuries or caring for someone who can no longer work. Those aged 60 can choose to receive the Canada Pension Plan to help to offset poverty in late working age. However, the GIS doesn't have that flexibility. In addition to decreasing the age of eligibility for the GIS to 63, the AFB will test whether GIS eligibility should be reduced even further, to age 60, in the future.

### **Improve social assistance**

The pandemic has exposed serious deficiencies in Canada's income security system, thus reinforcing the urgency of transforming the current approach based on exclusion and marginalization to one that provides dignity for all.

Simply put, Canada's social assistance system is fundamentally broken. In every province and territory, the system is complex to navigate, difficult to access due to numerous structural and administrative barriers, and provides completely inadequate support to people who are often in

dire need. Benefits are well below what the federal government deems adequate (in most places, they are less than half) compared to the amounts of the Canada Emergency Response Benefit (CERB) and the various federal recovery benefits. The extensive eligibility testing strips those seeking support of their dignity. In many provinces, people are expected to exhaust nearly all of their personal savings and many of their assets to qualify for assistance, which makes it more difficult to transition back to work and climb out of poverty. Social assistance program practices, including enforcing behavioural conditions, imposing intrusive surveillance, and excessively controlling normative expenditures through special approvals, lead to stigma and erosion of self-esteem associated with poor health. Little support is available to help recipients meet work search expectations. Overall, these programs discourage movement away from social assistance due to many factors, including a lack of training opportunities, punitively high clawback rates on earned income, low minimum wage, precarious work, and other barriers low-income people face to employment that will support their families.

Because social assistance is, in part, federally funded, the Canada Social Transfer (CST) represents a key federal lever to transform Canada's income security programs into a coherent system that adequately supports all who are in need. This would require the imposition of conditionality on the CST in the form of enforceable national standards for social assistance. Such standards would ensure that no matter where in Canada a person lives, they have access to a system of social assistance that provides a certain minimum level of income support that is sufficient to meet their basic needs. Social assistance should be simple to access and navigate, delivered in a way that promotes dignity, and able to support people as they move between assistance and work. It should not levy a punitive benefit reduction rate against employment earnings. Imposing national standards has previously helped build provincial social programs (e.g., public health care). This new top-up to the CST will provide provincial support in a way that prevents provinces from clawing back new federal income support.

**The AFB will increase the Canada Social Transfer to a level at which it is worth 10% of provincial social assistance income supports, or \$2.04 billion a year. This will enable provincial and territorial governments to increase social assistance benefit rates to meet recipients' basic needs, ensure that national standards are met, and modernize the social assistance system so that it is simple to navigate, delivered in a way that supports recipients' dignity and**

**supports them as they move between assistance and work as their circumstances change.**

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## Employment Insurance

We recognize the urgent need for permanent changes to the *Employment Insurance Act* to ensure more dependable access and improved benefits.

To date, the only COVID-19-related change to EI that has been made permanent is the increase in EI Sickness Benefits to a 26-week maximum, effective summer 2022. However, the pandemic highlighted other systemic gaps. We must emerge from the pandemic experience with a more equitable, inclusive, and responsive EI system.

**Lowering the universal entry requirement to 360 hours** for both regular and special benefits will open EI access to more workers, including low-wage, precarious, and gig workers who have borne the brunt of pandemic-related employment losses. Providing an **alternative 12-week calculation** will ensure that people working in seasonal industries also benefit. These permanent measures will replace the temporary 420-hour requirement. While the temporary measures provide some relief from the statutory 420–700 hours, it is still onerous for many who have erratic or non-full-year, non-full-time job schedules.

**Setting a permanent 50-week maximum for EI Regular Benefits** will ensure reliable income replacement for individuals who are experiencing longer spells of unemployment, with spinoff benefits for affected industries and communities. Not everyone who is unemployed needs to access the maximum; claims have averaged 18–20 weeks in recent years. The maximum was reduced to 45 weeks in 1996. Since then, a 50-week maximum has only applied on a temporary, ad hoc basis under certain circumstances, including sectoral emergencies, the 2008–10 economic crisis, the COVID-19 pandemic, and regional pilot projects—some of which provided ‘long tenure’ workers with 70 weeks of benefits. The COVID-19 extension demonstrated that a universal 50-week maximum also simplifies and speeds up administration.

**Providing EI benefits from the first week** requires eliminating the one-week wait. The week of forfeited benefits creates savings for the system but places an unfair burden on the worker without paid employment. Waiving the waiting week was one of the first COVID-19 measures undertaken by the government, initially for EI sickness and quarantine benefits and later for those transitioning from CERB benefits. It was explicitly done to maximize access to EI. Lesson learned.

**Giving new prominence to the EI Work Sharing Program** will position it to play a much larger and more effective role in our labour market strategies. This is critical during major economic events such as a recession, pandemic, or regional climate crisis. It will allow more employers to retain staff with reduced schedules on payroll rather than resorting to layoffs.

This major revision will require pre-registration to facilitate vetting and speed up the rollout when applications are filed. It will also ensure that employers get early and easy access to information and government staff contacts. Larger employers will need to negotiate a work-sharing protocol if their workers are unionized or if they consult on a policy in a non-union setting; the protocol should be updated annually. We will look into developing other program adaptations, such as responding to situations when recall to full hours is slow in some sectors and developing a formal 'Training While on Work Sharing' component in addition to institutionalizing work sharing flexibilities introduced during COVID-19. This will include quasi-public sector entities such as universities. As part of this effort, **this AFB will expand eligibility to more worker classifications and business types; it will also increase the maximum agreement duration from 76 to 104 weeks.** As in Germany, which has made work sharing central to its capacity to quickly respond to economic disruptions, the Canadian federal government should contribute to the funding of work sharing during a major economic event.

### **Cease counting severance against an EI claim**

One of the most punitive measures in Canada's EI system is the assignment of severance and termination monies to the front end of an EI claim. This practice fails to recognize their distinct purpose as compensation for adjustment costs when workers must seek new employment. It also entails an exceedingly complex calculation for Service Canada, which leads to errors, overpayments, and appeals that should be avoided at a critical time for workers in need of income support.

Workers accessing social assistance benefits also face EI benefit clawbacks from their province on a dollar-for-dollar basis. This is a needlessly punitive measure for vulnerable low-wage workers. Severance and termination monies, as well as social assistance payments, act as shock absorbers for workers who have been laid off.

**The AFB will eliminate the allocation of separation payments, including the practice of assigning severance and termination monies to the front end of an EI claim. This AFB will also work with the provinces to remove social assistance clawbacks.**

## Improve the EI benefit level

The current annual maximum of \$56,300 limits the revenue-generating capacity needed for an expanded program. The EI program maximum insurable earnings (MIE) continues to directly determine the maximum rate of weekly payments for all types of benefits therein. The current annual MIE means that almost half of all EI claimants hit the maximum benefit cap each year, effectively reducing their replacement rate to less than 55%. **The AFB proposes to raise the ceiling on insurable earnings to harmonize with the current CPP pensionable earnings ceiling (in 2022, this will be \$64,900).**

An EI benefit floor is needed. During COVID-19, EI claimants have been guaranteed \$500 weekly (taxable). This guaranteed floor made a huge difference to low-paid workers. Without it, EI is unaffordable and, by default, inaccessible to them, as they end up in one survival job after another without an opportunity to look for a better match.

**The AFB will create a livable benefit floor on EI benefits of \$500 a week.**

## Extend EI to migrant workers who pay into it

At present, migrant workers are required to pay EI premiums at the same rate as Canadian workers and permanent residents, but they are generally excluded from qualifying for benefits—despite the fact that they are particularly vulnerable during employment downturns because they are more likely among the first to be laid off. This situation is extremely unfair and effectively denies support to an already precarious group of workers, most of whom are racialized. Their continued exclusion constitutes discriminatory treatment. This is not just an ethical issue but potentially a legal one.

Migrant workers have historically been excluded from collecting regular EI benefits because of a previous interpretation of the *Immigration and Refugee Protection Act*, wherein they do not satisfy the condition of being “capable of and available for work and unable to obtain suitable employment” because they are expected to return to their country when they lose their job in Canada. This problem is most pronounced for workers in the Seasonal Agricultural Worker Program who have closed permits and social insurance numbers that expire at the end of the growing season.<sup>4,5</sup> Migrant workers in the largest stream (e.g., so-called “lower skill” workers in meat-packing plants) have some access to EI, more on paper than in practice.

In response to the COVID-19 pandemic, the federal government extended access to EI benefits and other related support to migrant

workers who became ill, were laid-off, or had to quarantine due to COVID-19. This AFB builds on this important step forward to permanently restore the special benefit access to migrant workers who pay EI premiums, which was removed in 2013. A modernized EI system must provide all migrant workers with meaningful access to regular benefits in addition to interpretation services and plain-language information about the process provided in different languages.

Although some migrant workers are currently eligible for EI, there are a number of cases in which workers have been wrongly denied benefits due to administrative errors. Better employee training is required to ensure that all Service Canada employees are aware of migrant workers' eligibility for EI.

**The AFB will extend EI access to all migrant workers who pay EI premiums. It will also ensure that the application process is accessible to all, eliminating exclusion due to administrative errors.**

### **New federal contribution to the Employment Insurance system**

As it is currently organized, the EI system has two contributors: employers and workers. Through premiums charged to these groups, the EI account is meant to remain balanced over a seven-year period. In practice, the federal government becomes a third contributor to the EI system during periods of economic recession. During the 2008–9 recession and the COVID-19-induced recession, the federal government rapidly stepped in to backstop the system without increasing premiums to employers or workers. The federal government's involvement was particularly evident during the COVID-19 recession, when EI regular benefits were entirely abandoned in favour of the Canada Emergency Response Benefit (CERB, in place from March-September 2020). The costs of CERB were entirely borne by the federal government, not the EI account.

The federal government's ad hoc, recession-prompted involvement in funding jobless benefits is problematic. Acknowledging and codifying federal involvement will ensure that neither workers nor employers need to be concerned about unpredictable increases in premiums during an economic downturn. The AFB will restore permanent federal funding of the EI program in order to fund a portion of the cost of benefit improvements from general revenue. It will review the current seven-year break-even funding mechanism with the goal of restoring counter-cyclical funding of the EI operating account.

**The AFB will codify federal funding of the EI system at \$1 billion for every 1% that the unemployment rate exceeds 4%.** This proposal has historical precedence. In 1972, the federal government became

responsible for the cost of initial regular benefits attributable to a national unemployment rate over 4%; this increased to 6% in 1989 when the threshold was removed.<sup>6</sup>

This proposal will also create an incentive for the federal government to achieve and maintain full employment. In its absence, there is little incentive for the federal government to reduce unemployment because EI benefits—which constitute a more direct cost incurred by the government caused by joblessness—remain the responsibility of workers and employers.

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## Catching those left behind

Canada's income support programs are critical to reducing poverty. Small changes will catch those who are currently falling through the cracks.

### Reduce Old Age Security (OAS) residency requirement to three years

In 2009, MP Ruby Dhalla introduced Bill C-428 to modify the Old Age Security Act, to reduce the residency requirement for entitlement to a monthly pension from 10 years to three years.<sup>7</sup> Unfortunately, this measure was never passed. At present, seniors who have recently immigrated to Canada require 10 years of residency to qualify for a reduced OAS pension. Any Canadian who immigrated and has been a resident for more than 40 years receives the full OAS amount. However, once a senior is eligible for OAS, even if at a low rate, they become eligible for the Guaranteed Income Supplement (GIS) if their income falls below a low-income threshold. In circumstances in which a senior doesn't receive the full OAS, the GIS will increase to cover the difference. The GIS thus acts to substantially reduce poverty rates among senior immigrant Canadians. However, the GIS is only engaged if a senior's income is low enough; otherwise, it phases out with income, meaning that recent high-income immigrant seniors would see little change.

Racialized seniors in retirement experience a higher poverty rate and have lower income compared to non-racialized seniors. Foreign-born Chinese seniors have the highest poverty rate among all racialized groups. This reduction to the OAS residency requirement would particularly help racialized seniors live a more dignified life in retirement.

The current 10-year residency requirement leaves many immigrant seniors outside of Canada's income support system. As a result, the poverty rate for this group, which predominantly includes racialized



women, is needlessly high. **To relieve needless suffering for senior immigrant Canadians, the AFB will reduce years of residency for OAS eligibility from 10 to three years. The change will cost \$1.43 billion a year and lift an estimated 25,000 seniors out of poverty (based on the Market Basket Measure).**

### **Allow refugee children access to the Canada Child Benefit**

The Canada Child Benefit (CCB) aims to assist low-income and middle-income families with the cost of raising children. However, some of Canada's most at-risk children are unable to receive the CCB because of their parents' immigration status. This denial adversely impacts racialized communities already at higher risk of poverty. It also reinforces pre-existing gendered poverty because women remain the primary caregivers for children in most Canadian families.

Amending the eligibility of the CCB to include all children in Canada would help reduce child poverty and improve the health and well-being of children in Canada.

In 2017, the most recent year of available data, there were 24,100 children under 18 who did not have access to the CCB due to their parents' immigration status. Among those, 10,500 were under six years of age. This exclusion from the CCB adversely affects children and their families:

- It increases their risk of poverty and adversely affects children's education, health, and well-being;
- It forces women to remain with abusive partners who have status in Canada in order to maintain CCB income for the benefit of their children (which is detrimental to children's emotional well-being and development); and
- It sends the message that some children are less worthy of protection from poverty than others.

**This AFB will expand access to the Canada Child Benefit by repealing subsection "e" in the definition of an "eligible individual" under s.122.6 of the *Income Tax Act*, and it will extend CCB payments to all children who reside in Canada, regardless of their parents' immigration status. The initiative will cost \$160 million a year, which represents an increase of only 0.6% of total CCB benefits.**

### **Remove immigration status barriers to supports**

Canada has a large and growing population of people with precarious or no immigration status. These communities are also often racialized and have no access to income, housing, and other support (beyond the CCB examined above) because they don't meet immigration eligibility criteria. As a result, these communities face high levels of poverty, homelessness, and food insecurity.

**This AFB will remove all immigration status barriers to accessing income support, subsidized housing support (including the new National Housing Benefit), and other supports. The federal government will also work with the provinces and territories to remove such barriers to social assistance.**

### **Allow federal benefits to be distributed outside the tax system**

Income benefit transfers to people in need are currently delivered through the personal income tax system managed by the Canada Revenue Agency (CRA). While this system of delivery is the broadest available, it is not universal. In 2018, 73.4% of people in Canada filed taxes. Marginalized people are less likely to file their taxes; these include people who are living on low- or no income, Indigenous Peoples, those living in remote communities, women fleeing domestic violence, 2SLGBTQQIA+ and gender-diverse people, newcomers, undocumented people, homeless people, those working in informal and criminalized economies and under/unbanked individuals.

Barriers (which can include a lack of identification, a social insurance number, immigration or citizenship status, a CRA account, or a fixed address) can prevent already marginalized people from accessing federal, provincial and/or territorial income benefits through the tax system.

Efforts to broaden inclusion into the tax system, such as funding community-based tax clinics and automated tax filing, are important anti-poverty interventions and must continue. However, there remain many people who will not engage with the tax system for various reasons, including those resulting from Canada's long history of colonialism and systemic racism.

Jurisdictions around the world have developed various forms of digital and cash transfer systems, which have experienced success reaching remote, low-income, and unbanked populations. Examples include Bolsa Familia in Brazil and Stockton Economic Empowerment Development in California. These initiatives developed requirements for registration, eligibility assessment, and protection of data. Some systems have used mobile wallets connected to individual cell phones and others have used

reloadable prepaid credit cards or debit cards to get money directly to individuals in need. Some delivery systems are managed through corporations, while others involve government bodies or charities.

In Canada, some non-profit organizations that are rooted in communities and have trusted relationships have engaged in their own activities to raise and distribute cash funds or gift cards to their service users who are unable to access government income transfers.

To inform the development of a Canadian system that would enable access to income support for marginalized communities, Canada must take cues from international models about what has and has not worked.

**The AFB will develop an income benefit eligibility determination and distribution system that works in partnership with local trusted charities and runs parallel to the personal income tax system for non-tax filers who are living in poverty.**

### **Provide CERB repayment amnesty for those in poverty**

Upon the inception of CERB, frequent changes to eligibility requirements generated confusion among applicants, including provincial income assistance clients, their advocates, caseworkers, and government agencies. People who earned under the \$5,000 annual income threshold in 2019 were excluded from short-term and long-term pandemic response measures. Adjustments to eligibility, which allowed individuals to earn up to \$1,000 a month and still receive CERB, created a steep eligibility cliff. Such design flaws coupled with confusing messages around eligibility, created scenarios in which many low-income people were advised or, in some cases, instructed by caseworkers, government workers, and the CRA to apply in good faith.

Because the federal government failed to enact a national standard for income assistance, the way the CERB was treated for people on social assistance varied significantly between provinces and territories. This compounded regional inequities and repayment problems. Some provinces/territories clawed back 100% of the CERB from social assistance clients, others allowed social assistance clients to keep varying amounts, and others still allowed CERB to be collected in addition to social assistance.

Forcing the most vulnerable to repay CERB or saddling people with thousands of dollars of federal debt will have devastating long-term impacts, particularly for those who are low-income, racialized, Indigenous, disabled, and gendered—all of whom faced pre-existing inequities in the labour market in the form of lower income and job precarity. To force

repayment of emergency benefits, especially now in the second year of a global pandemic and without a full economic recovery, is unreasonable.

**The AFB will implement repayment amnesty to all people who received the Canada Emergency Response Benefit (CERB) and were subsequently deemed ineligible but whose incomes are below or near the Low Income Measure and to all youth transitioning out of care, and it will cease treating CERB as taxable income for individuals if their 2020 income fell below the poverty line (as measured by Census Family Low Income Measure After Tax thresholds).**

### **Helping low-income seniors keep more of their Canada Pension Plan benefits**

In 2016, Ottawa and the provinces agreed to a modest expansion of the Canada Pension Plan (CPP) retirement benefit. Between 2019–23, a 1% contribution rate increase for employees will be gradually phased in. Then, in 2024 and 2025, a second ceiling on pensionable earnings will be phased in to reach 14% above the first ceiling, with a combined contribution rate of 8% on earnings between the first and second ceilings.

While the enhanced CPP benefit was primarily aimed at improving the retirement security of middle-income earners, the income-tested design of the Guaranteed Income Supplement means that much of the benefit of an expanded CPP is wiped out for low-income seniors. All else being equal, very low-income seniors who are receiving both the basic and top-up GIS benefits will see their GIS benefits reduced by 75 cents for every dollar of CPP income over \$2,000.

A 2016 study by Kevin Milligan and Tammy Schirle estimated that amending the GIS clawback to exempt the first \$3,500 of additional CPP income would allow the additional CPP retirement benefit to completely pass through to recipients who earn less than \$44,000, without any impact on their GIS benefits.<sup>8</sup> **Accordingly, the AFB will introduce a \$3,500 exemption for additional CPP income from the 2016 expansion, in addition to the existing \$3,500 exemption for annual employment income in the GIS.**

**Table 1.1 Costing of Income security items (\$mil)**

<b>Income security</b>	<b>2022-23</b>	<b>2023-24</b>	<b>2024-25</b>
<b>Poverty</b>			
Create the Canada Livable Income for those 18-62 (net of CWB cancellation)	5,470	5,744	6,031
Maintain CWB benefits for parents for the next five years	886	600	500
Create a Canada Disability Benefit (net of Disability Tax Credit cancellation)	909	4,000	6,600
Expand GIS to age 63 instead of boosting OAS	1,646	2,323	2,474
Cancel the OAS boost for those aged 75 and older	-1,660	-2,343	-2,495
Increase provincial social assistance income by 10% via Canada Social Transfer	2,040	2,040	2,040
<b>Employment Insurance</b>			
Establish uniform EI entry of 360 hours or 12 weeks (down from 420 hrs)	180	180	180
Set a permanent 50 week maximum for EI Regular Benefits	500	2,000	2,000
Waive the one-week waiting period for claims	230	230	230
Give new prominence to the EI Work Sharing Program	100	100	100
Cease counting severance against an EI claim	100	100	100
Harmonize EI max insurable earnings to new CPP level	53	53	53
Retain \$500/wk floor on EI benefits	1,900	1,900	1,900
Restore EI Special benefits for migrant premium payers	18	18	18
Federal funding of \$1 bil for every 1% over an unemployment rate of 4%	2,500	2,200	2,000
<b>Catching those left behind</b>			
Reduce OAS residency requirement to three years	1,430	1,430	1,430
Allow refugee children access to the Canada Child Benefit	160	160	160
Allow federal benefits to be distributed outside the tax system	100	100	100
Provide CERB repayment amnesty for those in poverty	822	0	0
Introduce a \$3,500 exemption for additional CPP income from the GIS clawback	50	75	100



## Chapter two

# High-quality social infrastructure and a vibrant care economy

Now is the moment to revitalize Canada's social infrastructure.

**A**FTER 30 YEARS of austerity and privatization, COVID-19 has demonstrated the economic and social precarity of many Canadians and the services on which they depend. The pandemic has also exposed the systematic undervaluing of paid and unpaid care work. Pandemic emergency measures prioritized the collective public good—recovery planning must do the same by removing gender, racial, ableist, and class bias from economic and social policy and centering the experiences and voices of marginalized communities in all our efforts.

Now is the moment to revitalize Canada’s social infrastructure by establishing a strong foundation for the expansion of high-quality publicly managed and publicly delivered services. People’s quality of life depends not only on their income, as crucial as that is, but on the social services and supports for which they would otherwise have to pay out of individual or household budgets. Investing in social infrastructure—the services and facilities that are fundamental to the ability of all people and communities to thrive—is essential. It is no less important than the physical infrastructure on which we all depend. Although these services, supports, and protections are taken for granted, they constitute the foundation of everyday life as components of the “infrastructure of well-being.”<sup>9</sup>

The pandemic has made clear the vital importance of social infrastructure such as public health, affordable housing, broadband access, early childhood to post-secondary education, and, notably, the invisible work of caregivers in child care centres, home care agencies, and shelters for those fleeing violence, among others. As noted by Donegan:

The inclusion of care work under the infrastructure umbrella is more than just semantic sleight of hand. Rather, it’s the realization of an argument that feminists have been making for decades: that traditionally feminized caretaking or “reproductive” labor—is just as essential to the functioning of the economy as roads and bridges are.<sup>10</sup>

Canada’s shamefully high COVID-19 fatality rate among vulnerable seniors and the disproportionate incidence of illness and death among

care workers (who are largely female and racialized) are devastating evidence of our failure to invest in social infrastructure. Decades of neglect have undermined public services and compromised the rights and well-being of its workforce. This has fuelled, “by default and by design,” the growing presence of for-profit businesses seeking lucrative investment opportunities in the care economy and a shift of cost and labour to seniors and their families. It is not surprising that the rate of death among long-term care residents was highest in for-profit homes.<sup>11</sup> In Canada and around the world, the virus moved through facilities by preying on well-known vulnerabilities: a growing reliance on a subcontracted, non-unionized labour force whose members work multiple jobs to make ends meet; and conditions of employment that work against quality care and recruitment, such as fewer workers, more part-time hours, high turnover, heavy workloads, increasing levels of violence, and poor wages and benefits.

Since the onset of pandemic measures, there has been a sizable increase in women’s share of unpaid care work and domestic labour. This is yet another predictable outcome of Canada’s neglected care economy, and it presents a considerable barrier to women’s future labour market participation as well as their access to better working conditions and higher earnings. Women’s economic recovery has lagged behind men’s at every turn. This gendered lag reflects the increased presence of women working in low-paid sectors of the economy that have been hit hard by the pandemic, coupled with—in some cases, compounded by—their responsibilities at home in the face of uncertain access to child care and recurring school closures. On this score, lone parents and women from marginalized communities have experienced the greatest losses.<sup>12</sup>

During the pandemic, workers in Canada’s public and non-profit sectors stepped up massively, putting in gruelling hours to ensure that COVID-19 patients received care, that the unemployed were supported, and that the homeless had a safe place to stay. But the gaps in our response (e.g., expired PPE stockpiles, shambolic school reopenings, the failure to protect migrant workers) are evidence of our neglect in public infrastructure. We failed to provide workers with the tools they required to keep us all safe.

If there is some good to come from the pandemic, it is that it demonstrated the importance of a strong and resilient infrastructure of well-being. The question is whether we will revert to the “same old, same old” or if we will use the crisis as a lever to build back better and fairer for groups such as:



- Young people whose education has been turned upside down and are seeking employment in an increasingly polarized labour market;
- Indigenous communities who are devastated by the ongoing impacts of structural racism in their access to health care, housing, income security, and other key determinants of health and well-being;
- People with disabilities who remain isolated and exposed, having endured months of cancellations and delays in access to care and treatment, unable to rely on the support of family, friends, and community services.

Moving beyond a fragmented approach to social infrastructure propped up by systemic discrimination and characterized by underfunding, privatization, and exploitation must be a priority for recovery planning.

### Why is change needed?

Across the country, the strength of our social infrastructure varies considerably in terms of access, mix of providers, level of quality, and security of funding arrangements. The pandemic has exacerbated inequities in service provision between regions, service sectors, and the communities they serve. The non-profit and charitable sector has been placed under acute stress as service demands have significantly increased. Other organizations, such as those in arts, culture and recreation, have been forced to scale back their operations in order to comply with public health orders. All have struggled to raise the operating revenue needed in the context of great economic uncertainty.<sup>13</sup> Without crucial government support, such as emergency aid for selected services (e.g., food banks) and the Canada Emergency Wage Subsidy (CEWS) program, the situation would have been considerably worse.

More than a year into the pandemic, these services and supports remain extremely fragile. The trend toward greater privatization and financialization—which is well established in child care, housing, long-term care, and post-secondary education—continues to undermine services' availability, accessibility, quality, and an ethos of shared interest and purpose.<sup>14</sup> Moreover, services that remain publicly provided are subject to market principles and competitive tendering, which forces them to prioritize cost reduction over the well-being of those who rely on and deliver service and care (mostly women). Even now, governments are planning to rapidly reduce emergency funding to pre-pandemic levels and to eliminate wage top-ups for care workers, thus reducing the very resources necessary to transform our public infrastructure and position us

for a just and sustainable future. The prospect of post-pandemic austerity will only hasten the erosion of vital public supports and services.

There is an imperative to urgently dismantle intersecting systemic barriers that undermine marginalized communities' equal rights to full and active participation in economic and community life. Widening gaps in access to health care, education and training, child care, community services and attendant care, affordable transportation, internet services, and housing highlight the necessity of building comprehensive and responsive social infrastructure in collaboration with those facing the greatest barriers. As we move forward with reform, the devastating and ongoing impacts of colonialism on Indigenous Peoples require us to honour and respect the United Nations Declaration on the Rights of Indigenous Peoples, the Calls to Action of the Truth and Reconciliation Commission of Canada, the Calls for Justice issued by the National Inquiry into Missing and Murdered Indigenous Women and Girls, and Jordan's Principle.

### How should things change?

There can be no single or uniform approach to transforming and strengthening Canada's social infrastructure. Each sector or area demands its own strategy, reflecting its unique history, range of actors, jurisdictional context, and degree of private market involvement. Some services, such as health care, are already available free of charge at point of service. Others, like child care or attendant care (where available), are partially subsidized, depending on one's location and household income. Still others (such as legal aid, arts and recreation, and environmental conservation) were once considered core community infrastructure, but are now considered residual or "nice to have" in many communities and regions. One such example is social housing, which has only recently attracted new investment under the National Housing Strategy.

Notwithstanding this diversity of circumstances, we agree with Gough that "*entitlements* to certain levels of provision can be guaranteed and backed up by a menu of public interventions."<sup>15</sup> This menu should include standard setting and monitoring, robust employment protections and regulation, enhanced public services, progressive taxation, and direct operating grants and transfers—all of which are included in this AFB.

Publicly managed services provided via public sector or non-profit providers deliver far greater value than market-based provision for most individuals and families—right up the income scale and especially for marginalized groups. According to the OECD, those in the lowest quintile would have to spend three-quarters of their after-tax income on

essential services if they had to purchase them directly. Public services effectively reduce income inequality by one-fifth to one-third, depending on the measure.<sup>16</sup> Investing in strong social infrastructure and building up Canada's embattled care economy offers the ideal strategy for achieving high-quality and responsive service, greater agency for marginalized communities, stronger collective solidarity and mutual support, and long-term sustainability.

Strengthening our social infrastructure has the added benefit of paying for itself over time. This can occur through increased employment and earnings, reduced income security benefits and emergency services, and healthier communities. Research from economist Jim Stanford, for instance, estimates that an investment in universal early learning and child care services (as announced in Budget 2021) would create over 200,000 direct jobs in child care centres as well as 100,000 more jobs in industries which support and supply the early learning and child care sector and facilitate increased labour force participation and employment of up to 725,000 women in prime parenting years. Such an expansion would result in a boost to the annual GDP between \$63 to \$107 billion at the end of 10 years and government revenue in the order of \$17 to \$29 billion, more than enough to offset program costs.<sup>17</sup> Research is clear: investment in the public sector spurs economic growth, serving both as an important source of well-paid employment (notably for women and other marginalized groups) and economic activity in local communities in good times and bad.

Efforts to ensure a Canada-wide approach to many systems must take into account jurisdiction and the challenges of federalism. It must also take into account the specific place of Quebec in the federation, relationships with First Nations, Inuit and Métis peoples, and the need for Indigenous-led solutions. While these dynamics are complicated, they do not have to be insurmountable obstacles. There is an important opportunity for the federal government to take up its leadership role and by wielding the necessary resources advance and sustain progressive change.

## **Ensure an inclusive recovery for all**

### **This AFB will:**

**Ensure that the public interest and public service values are at the heart of the work of the federal government.** This crisis has demonstrated the significant weaknesses of an operating model that privileges private profit.

**Boost the public service** so that it has the human capacity and resources to advise, plan, develop, deliver, and evaluate the policies and programs required to tackle the critical challenges facing Canada highlighted by the pandemic (e.g., growing economic inequality and the climate emergency).

**Work to ensure that social and physical infrastructure—including Canada’s care economy—remain in public hands** by directing all federal investments to public and non-profit providers.

**Protect the ability of public servants to speak truth to power,** without suffering negative consequences, by strengthening Canada’s whistleblower framework and expanding the scope and applicability of the *Public Servants Disclosure Protection Act* to include private sector contractors and former public servants.

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## Strategies for building strong social infrastructure in Canada

The following section highlights key sectors and services that make up Canada’s social infrastructure and care economy. In combination with areas such as housing, immigrant settlement, food security, Indigenous services, and training discussed elsewhere in this AFB, these sectors and services are foundational to our collective response to shared basic needs. They provide meaningful support that permits all individuals, families and communities, regardless of their ability to pay or social location, “to be able to survive and thrive” through “security, opportunity, and participation.”<sup>18</sup>

This AFB unapologetically makes the case for strong public universal programs and services that dismantle systemic disparities and build collective solidarity. In this context, non-profit and charitable organizations play a crucial role across a range of fields, from the care economy to the arts to health and education. They provide decent work and contribute to the economy while serving individuals and building community.

### Invest in Canada’s care economy

Investment in the care economy is particularly important, given the gendered character of pandemic-driven economic losses, especially among Black, First Nations, Inuit and Métis, im/migrant, and racialized women. Such investment will generate jobs in caring services as well as industries supplying care and building needed facilities and green

physical infrastructure. It will help “reduce the many gender inequalities that turn on the unequal division of unpaid care responsibilities between women and men.”<sup>19</sup> Finally, it will improve quality of care, thus enhancing the well-being of all of us who depend on caregivers.

The recommendations included here pertain to early learning and child care, long-term care and home care, and gender-based violence. In all of these areas, the pandemic has illuminated the urgency of fundamental reform and the intrinsic role of care in sustaining human life, containing disease, and allowing many of us to keep working. The slogan “everyone relies on someone who relies on child care” was never truer than the moment when provincial governments, who had announced the wholesale closures of child care centres, changed course to reopen spaces for children of essential workers. The long-term care experience is a journey to the heart of preventable tragedy and the deadly limits of market economics. The fragility and resilience of gender-based violence services underscores the urgent need for a sustained and prioritized response to protect the most vulnerable and create the conditions under which we may all live free of violence.

The proposed reforms in this section seek to strengthen and extend the range of services in order to achieve greater equity, efficiency, solidarity, and sustainability. Collaborating with governments, community partners, labour organizations, advocates, and experts, this AFB will:

**Establish a National Care Economy Commission**—as recommended by the House of Commons Standing Committee on the Status of Women—to examine, through an intersectional framework, paid and unpaid care work in Canada, changing demographics and care needs, current models of private and public provision, the use and abuse of migrant care workers, and options for transforming and redistributing care labour. To this end, the commission will support the development of:

- Disaggregated data on unpaid and caregiving work, focusing on level of effort, impact of caregiving on personal well-being and economic security, and value to the community and economy;
- Sector-specific labour force strategies to increase the number of high-quality care jobs and improve the standing and treatment of migrant care workers based on the International Labour Organization’s 5R Framework for Decent Care Work, (see also proposals below and *Health Equity, Employment, and International* chapters);
- Sector-specific and evidence-based best practice standards for quality service, covering staffing levels, training, service management

and delivery, and protection of labour rights, including access to unionization and collective bargaining;

- Transformative policies to recognize, reduce, and redistribute care, promoting decent care work as well as expanding the stock and quality of publicly managed caring services and care infrastructure.

### ***Create a universal child care system for all***

The rationale for transforming Canada's market-based child care sector to a publicly managed system with federal leadership and substantial funding has been well established for decades. It has also been reinforced with numerous studies and international comparisons. But, as noted by Pasolli, "over and over, governments have promised action only to walk back their commitments or have their plans derailed by shifting political winds."

When Deputy Prime Minister and Finance Minister Chrystia Freeland presented the 2021 federal budget, she assured Canadians that "this time, we're going to do it."

Budget 2021 made clear that the federal government would use its substantial spending power to convince the provinces and territories to collaborate on building a Canada-wide, community-based system of quality child care, calling it "a transformative project on a scale with the work of previous generations of Canadians who built a public school system and public health care." The federal government will ensure that families in Canada will "no longer be burdened by high child care costs"—with the goal of reducing regulated child care fees to \$10 per day on average within the next five years, and by 50% on average by the end of 2022.

In addition to lowering parent fees, the budget confirmed that the federal government's priorities for new funding to provinces and territories (provided through negotiated bilateral agreements) include properly valuing the work of early childhood educators and supporting the expansion of non-profit child care services. Budget 2021 also builds on the Indigenous Early Learning and Child Care Framework's distinctions-based approach. It commits the federal government to table legislation in fall 2021, following broad consultations, "to enshrine the principles of a Canada-wide child care system in law." With the federal election behind us, it is time to move forward.

### **Introduce publicly planned, publicly managed expansion strategies**

To achieve the child care movement's shared goals for early learning and child care (ELCC), substantial federal funds must be used to drive transformational change with regard to public responsibility for funding, management, and delivery. Transformation is necessary to replace the current market provision model with a universal public system that will make high-quality, affordable, inclusive, flexible, culturally safe, regulated ELCC accessible to all who want it yet properly compensates those who work in the sector.

Provinces/territories must assume responsibility for planning, managing, and funding expansion of the system. Only public expansion strategies will put an end to the mismatch between service supply and demand that has contributed to service shortages ("child care deserts"), inequitable access, and lack of flexible options for those that require "non-standard" care such as weekend shift workers or part-time students.

Child care advocates stress that construction of a Canada-wide system of ELCC must honour and respect the Indigenous Early Learning and Child Care Framework, which emphasizes a comprehensive and co-ordinated system that is "led by Indigenous peoples, rooted in Indigenous knowledges, cultures, and languages, and supported by strong partnerships of holistic, accessible, and flexible programming that is inclusive of the needs and aspirations of Indigenous children and families."

The transformation of Canadian ELCC will require two overarching elements:

**(1) A shift in the way child care services are planned.** Canada currently relies on individual groups and corporations to develop and operate new services. This risky, inefficient, and ineffective market-based approach must shift to publicly planned and managed expansion strategies to increase the supply of regulated services through non-profit and public delivery.

**(2) A shift in the way that all regulated child care services are funded.** In most of Canada, public funding for regulated ELCC is provided through a patchwork of government grants that fall far short of the costs required to provide quality programs, which forces service providers to rely on high parent fees to cover their operational costs. This failed market-based approach must shift to a comprehensive, equitable direct funding model that provides programs with adequate operational funding to achieve fair compensation for staff, high-quality programming for children, and affordable fees for families.

### **Public funding for ELCC operators**

All existing licensed ELCC operators, whether public, non-profit, or for-profit, should be invited to be part of the new publicly funded and managed Canada-wide system of ELCC. Those who accept must be accountable for how public funds are used and agree to operate in a way that moves Canada toward the stated goals of high quality, affordable, accessible, flexible, and inclusive ELCC.

Key conditions for receiving public funds must include, but are not limited to:

- Paying staff according to competitive provincial/territorial salary scales;
- Respecting the parent fee structure of the province/territory (extra-billing of any kind would be prohibited);
- Ensuring cultural safety for Indigenous children and families;
- Including children with additional support needs to fully participate in the program;
- Welcoming, nurturing, and respecting children and families in all their diversity and identities, including along dimensions of Indigeneity, ability, race, immigration, and sex/gender identity and orientation;
- Providing transparency and accountability in financial and governance matters.

### **Target expansion funding to public and non-profit providers**

To protect the transformed system, expansion of publicly funded ELCC must be limited to public and non-profit services. Many families currently rely on for-profit centres, which constitute 28% of spaces in Canada. Many for-profit services were developed in an era when governments lacked interest in building a child care system. Child care advocates have proposed a balanced policy solution that includes operationally funding existing for-profit services and robustly regulating them, together with public and non-profit services.

Additional growth of for-profit child care would be detrimental to the goal of a universal, equitable, high-quality system. Evidence shows that the for-profit sector works to drive down government regulations, ELCC wages and compensation, and quality standards. Current evidence shows that for-profit services have been consolidating, with many small for-profit providers being bought out and taken over by larger providers. The evidence also shows that larger, corporate child care provision is inequitable and unaccountable.



The significant new child care funding possibilities have made Canada a magnet for child care investment firms, which threaten to undermine the goals set out in the federal budget. If Canada's aim is to build a publicly funded and managed, accessible, affordable, high-quality and equitable early learning and child care system, expanding for-profit services is demonstrably the wrong direction. Any further development must be public and non-profit only.

### **Build infrastructure for high-quality, accessible, and affordable child care**

Building a quality ELCC system requires ongoing quality and system corrections and improvements based on experience, evidence, evaluation, and public engagement. Advancing the two overarching transformational shifts outlined above requires:

**A workforce strategy.** A well-qualified and well-supported ELCC workforce that is paid decent wages (as set out in a provincial salary scale) is essential to a high-quality system. This will require tailored strategies to address factors that impede the recruitment and retention of early childhood educators, including difficult working conditions, job insecurity and precarious employment, barriers to unionization, and lack of respect for the value of ELCC work.

**Data and research.** A quality ELCC system requires a Canada-wide approach to data and research that encompasses the federal government, provincial/territorial partners, researchers and the child care community. A key part will require a commitment to making data and research widely available to the public, the ELCC sector, researchers, and policy experts.

**Public accountability.** Governments must commit to developing and publishing annual and multi-year ELCC plans with timelines and targets for quality, affordability, inclusion and accessibility; monitoring and reporting publicly on their progress; and updating plans based on lessons learned and the evolving ELCC needs and context.

**Democratic participation.** From parent advisory groups to citizen engagement processes at all levels of government, democratic participation should inform and support the implementation of a quality ELCC system. A broad range of citizens who care about child care must be involved, including children and parents, educators, employers, advocates, researchers, and academics. An effective approach ensures that participation is meaningful and valued. The time, energy, and expertise of the largely voluntary child care advocacy movement, including early childhood educators, should be resourced by long-term

organizational public funding that prioritizes the inclusion of diverse voices and multiple perspectives and experiences.

**This AFB will:**

**Complete the negotiations of bilateral agreements** with provinces and territories, incorporating the transformational elements described above and supported by increased federal funding to ensure that Canada builds a publicly managed and planned ELCC system.

**Table legislation** that enshrines the right to high quality, affordable, inclusive ELCC in law.

***Transform Long-Term Care***

COVID-19 makes visible what is mostly invisible: the need for collective, government-led action. Allowing long-term care and home care support to be structured as low-paid, precarious work that is mostly provided by racialized women who cannot afford to stay home when they are ill has proven to be disastrous. The expansion of large private chains that generate sizable profits through short staffing, lower wages, few (if any) benefits, and no pensions has compounded the disadvantages to vulnerable residents and workers. Canada urgently needs to make new investments in the care economy that are tied to national standards of care and employment as well as reliable access to training, personal protective equipment, and related supports.

While government focus is now on nursing homes, these issues are equally important in home care services, which are plagued by similar problems, including poor and inequitable access to service, low pay, poor co-ordination with other services (i.e., house-keeping, supports for newcomers or child care), weak client protections, and inadequate oversight. These problems have worsened over recent years as for-profit delivery has taken hold in many provinces. Seniors, people with disabilities, and others who depend on home care services deserve equitable access to a full continuum of culturally appropriate care that enables them to live with dignity, respect, and independence. Without federal leadership that ensures a comprehensive continuum of care and recognizes the systemic barriers baked into current systems, seniors and everyone who depends on home care and related community supports will continue to fall through the cracks.

This AFB takes immediate action to extend and accelerate financial support to the provinces and territories to support long-term care and home care services for all in need. Funds will be tied to new standards, accountability mechanisms, and provisions for democratic participation in decision-making that will ensure high-quality, comprehensive, accessible,

and publicly managed care across the country. This will include investments in the expansion of public and non-profit service delivery as well as capital funding for retrofits and new public infrastructure. A specific long-term care workforce strategy will be developed in collaboration with workers as part of the new national health workforce strategy to ensure the skill, effort, and responsibility attached to care work is appropriately valued and to support equitable and decent working conditions for this women-majority sector. Additional resources for non-profit home care services will also be provided (refer to the *Health Equity chapter*).

### **Introduce a National Seniors Care Strategy**

Canada needs a National Seniors' Care Strategy to ensure that all seniors can access quality care, regardless of where they live. We must take action now to ensure consistent funding, standards of care, and staffing levels to support roughly one million seniors who currently depend on institutional or home/community-based care<sup>20</sup> and many others who rely on the "informal" assistance of family and friends.<sup>21</sup> This will require concerted co-ordination and effort between municipalities and provinces/territories, with the federal government playing a leadership role to set standards and fund substantive change.

#### **This AFB will:**

**Increase funding** for both nursing homes and community and home care programs as part of the Canada Health Transfer. Governments in Canada spend 1.3% of GDP on long-term care—approximately \$20 billion on nursing homes and another \$4 billion on community care.<sup>22</sup> The AFB increases this amount to 2% of GDP over five years, through targeted federal transfers. This will cost a total of \$2 billion over three years. This would be over and above the long-term care amounts in Budget 2021. This funding would be included in the gradual increase in federal contributions to the Canada Health Transfer (see *Health Equity chapter*).

**Establish and bring into force national standards** that ensure that seniors' care is universal, public, comprehensive, accessible and portable as a condition of federal funding. Standards of care currently measured by direct hours fall considerably short of recognized minimum benchmarks. Some provinces have promised to raise the provincial average. In Ontario, it is estimated that it would cost about \$1.8 billion by 2023–24 to increase care levels and equalize wage rates across the sector, based on expected increases in the workforce.<sup>23</sup> Across all provinces, assuming similar expansions, this would amount to \$4.7 billion in 2022–23. Federal monies could not be used to support for-profit care homes or for-profit

services within LTC facilities. This AFB would split this with the provinces, amounting to a federal contribution of \$2.35 billion by 2023–24.

**Establish a long-term care labour force strategy**, underpinned by an equity approach, to ensure skill, effort, responsibility, and working conditions are appropriately valued and tailored to each occupation and service setting (e.g. home care workers). Mirroring the recent federal support for a child care training fund, this AFB will create a \$500 million fund to support the LTC labour strategy (see *Health Equity chapter*).

### ***End gender-based violence***

Gender-based violence is a persistent blight on the lives of women and children in Canada. The ongoing pandemic has significantly worsened this situation by creating even larger barriers for those attempting to flee violence. These pressures have been particularly acute among those who are at higher risk of violence, including Indigenous women, women with significant mental health concerns, 2SLGBTQIA+ people, women with disabilities, rural residents, and immigrant women.

Last year, evidence gathered from frontline organizations revealed a 20–30% increase in rates of gender-based violence in some regions. Organizations that support survivors of violence struggle to meet increased demand.<sup>24</sup>

The rise in violence is not confined to intimate partner violence. Online violence, facilitated by new technologies and platforms, has also been amplified under the pandemic conditions. Women are subjected to institutional forms of violence, such as the failure of employers to provide needed support for workers (e.g., PPE, proper distancing protocols, paid sick days) and the failure of governments to enact labour market protections, especially for vulnerable workers. Across the country, people with disabilities are still subject to medical triage protocols that threaten their very right to health care and life itself, despite concerted advocacy from the disability community.<sup>25</sup> These actions (and non-actions) knowingly put marginalized communities in the path of great harm.

To Canada's shame, the *Final Report of the National Inquiry into Murdered and Missing Indigenous Women and Girls* (MMIWG) exposed the devastating effects of colonization and genocide, racism and sexism, which have caused high levels of poverty, under-education, over-incarceration, over-representation in child welfare, ill health, and higher rates of violence as well as Indigenous women's disappearances and murders.<sup>26</sup> The report concluded that Canada's federal, provincial and municipal laws, policies and practices have led to grave human rights violations. The National Inquiry's 231 Calls for Justice require far-reaching

systemic change under the leadership and guidance of Indigenous women.

In recent years, the federal government has made targeted investments in community services, support for survivors and their families, related legal reforms, and research. This past year, the government allocated \$100 million to shelters serving women and children fleeing violence, sexual assault centres, and other programs to provide assistance to purchase supplies and reorient services. These investments provided crucial support but fell considerably short of the comprehensive, cross-jurisdictional, and intersectional approach needed to reverse rising levels of violence and ensure that women and their families can live free from violence and the threat of violence, wherever they live.

### **Implement a National Action Plan to prevent and end gender-based violence**

After 10 years of sustained activism by anti-violence advocates and feminist organizations, the federal, provincial, and territorial governments struck an agreement to develop a National Action Plan to End Gender-Based Violence. They released a *Joint Declaration for a Canada Free of Gender-Based Violence* in January 2021.<sup>27</sup> In Budget 2021, the federal government committed \$600 million to support anti-violence programming over five years, including \$14 million for a secretariat to coordinate the development and implementation of a National Action Plan, in collaboration with other levels of government, Indigenous Peoples, gender-based violence experts, and survivors of gender-based violence. It remains to be seen what the National Action Plan will entail and how its development will unfold.

At the same time, a coalition of anti-violence experts led by Women's Shelters Canada (WSC) has developed a road map for the National Action Plan, which informs this AFB's recommendations.<sup>28</sup> This road map sets out 128 recommendations for the creation of a long-term approach to the support needed to end gender-based violence in Canada. This approach is organized around four of the five key pillars in the *Federal/Provincial/Territorial Joint Declaration*: enabling environment and social infrastructure; preventing violence; promoting responsive legal and justice systems; and supporting survivors and their families. The road map also sets out recommendations to develop intersectional, feminist monitoring, evaluation, accountability, and learning frameworks that will be crucial to the plan's success and to holding governments accountable for the actions taken to end gender-based violence.

**This AFB will:**

**Develop a comprehensive, appropriately resourced 10-year National Action Plan to prevent and combat all forms of violence against women.** The National Action Plan should be grounded in an intersectional feminist analysis and co-ordinated across all levels of government, in conjunction with an Indigenous-led National Action Plan and implementation strategy to end violence against Indigenous women and girls.

**The National Action Plan will include:**

- Clear goals and targets for reducing violence;
- An effective administrative focal point (e.g., secretariat) for developing, implementing, and evaluating the National Action Plan, including ongoing survivor/community engagement;
- An independent mechanism for monitoring and publicly reporting on progress/lessons learned; and
- Escalating investments in prevention and wraparound support for survivors and strategies for reforming legal and justice systems. Substantial, sustained funding for the National Action Plan will be needed to free Canada from gender-based violence.

These items would be allocated within existing resources.

**Establish long-term resourcing** for the National Action Plan secretariat and an independent oversight body of experts to develop, implement, evaluate, and oversee the 10-year NAP; to support effective collaboration across all levels of government; and to ensure harmonization with the Indigenous-led National Action Plan and implementation strategy (currently under development).

**Ratify and implement** ILO Convention C190 on violence and harassment in the world of work, which would embrace a comprehensive definition of employees (e.g., interns) and apply to all situations arising in the course of, linked with, or arising out of work—including homes as workplaces and experiences of third party violence (e.g., from customers). This AFB will also expand access to domestic violence leave to a minimum of 10 paid days and 10 unpaid days in federally-regulated sectors (\$20 million a year).

**Provide direct operational support to anti-violence organizations and service providers** to enhance their financial security and programs' impact. This funding support will be extended to essential activities, including prevention, advocacy, and awareness raising, which are seldom

included in operational funding agreements. This would be allocated within existing resources.

### **Implement an Indigenous-led National Action Plan and implementation strategy**

In Budget 2021, the federal government also announced \$2.2 billion to “accelerate” work on a National Action Plan in response to the 2019 Final Report of the National Inquiry into Missing and Murdered Indigenous Women and Girls’ Calls for Justice. A National Action Plan was released on June 3, which was prepared in collaboration with submissions from a network of working groups led by Indigenous organizations. The MMIWG National Action Plan summarizes high-level commitments by federal and provincial/territorial governments but fails to present explicit priorities with goals and implementation timelines clearly associated with each of the 231 Calls for Justice. An implementation plan is still under development. Indigenous women continue to wait for urgent action to prevent the abuse, exploitation, disappearances, and murders of Indigenous women and girls.

#### **This AFB will:**

**Develop and implement a comprehensive, appropriately resourced, National Action Plan** and complementary implementation plan to prevent and combat all forms of violence against First Nations, Inuit, and Métis women, girls, and Two-Spirit Peoples—to be led by Indigenous women’s organizations. The plan should include timetables, measurable goals for change, robust independent monitoring, and the identification of immediate actions to protect women at risk of and experiencing violence. This work will be based on the insights of those who contributed to the MMIWG National Action Plan process as well as grassroots organizations representing Indigenous women and their families across the country.

**Expedite and support** the process for eligible Indigenous women to register their children under changes in the *Indian Act* (\$70 million in year one and \$400 million annually afterward).

**Provide direct operational support to Indigenous women’s organizations** to support continued policy and systemic work to end violence against Indigenous women and to provide safe spaces for them and their families through services and programs. This AFB will implement this within existing resources.

Several Indigenous organizations have submitted action plans to combat violence against women and girls. Please see:

- [National Family and Survivors Circle;](#)
- [Assembly of First Nations;](#)
- [National Inuit Action Plan on Missing and Murdered Inuit Women, Girls, and 2SLGBTQQIA+ People;](#)
- [2SLGBTQQIA+ Sub-Working Group: MwMIWG 2SLGBTQQIA+ National Action Plan Final Report;](#)
- [Missing and Murdered Indigenous Women, Girls, and 2SLGBTQQIA+ National Action Plan: Urban Path to Reclaiming Power and Place, Regardless of Residency;](#)
- [Congress of Aboriginal Peoples Interim Report;](#)
- [Weaving Miskotahâ: The Métis Nation’s Journey to Ending Missing and Murdered Women, Girls and 2SLGBTQQIA+;](#)
- The Native Women’s Association of Canada withdrew from the MMIWG NAP process and has released its own plan: [NWAC Action Plan: Our Calls, Our Actions.](#)

### **Renew post-secondary education and expand access**

The growing crisis in post-secondary education was illuminated by the pandemic and by the implosion of Laurentian University. Systemic underfunding, privatization and increased corporatization of Canada’s post-secondary education sector is eroding our ability to provide comprehensive academic, professional, and skilled trades education. It also leaves education workers in precarious positions, without the resources or working conditions necessary to provide high-quality education and services to students.

Access to post-secondary education is out of reach for many students, particularly low-income, racialized, Black and Indigenous students, students with disabilities, and youth aging out of care. Students are burdened with years of debt. University-based investigator-led research is underfunded, and research capacity is undermined by precarious employment. Budget 2021 extended emergency support to students, provided a welcome boost to minority language post-secondary education, and invested in targeted research. It missed, however, the opportunity to address core issues facing the post-secondary education sector.

A high-quality, publicly funded post-secondary education system that provides education at no cost to students who qualify must be an essential element of Canada’s economic recovery and our collective efforts to promote equity, access, reconciliation, and a just transition



to a zero-carbon future. Pursuing this goal would benefit all students, graduates, and workers at our post-secondary institutions and, ultimately, communities and our country at large.<sup>29</sup>

### **Develop a publicly-funded post-secondary education system**

Fully funding public post-secondary education is essential to ensure high-quality, accessible education; provide optimal teaching, learning and research environments; address critical infrastructure needs; and reduce the precarious employment now commonplace on campuses across the country. However, the last federal increase for post-secondary education through the Canada Social Transfer was in 2008. Public funding now represents less than half of total university revenue in Canada, and it has not kept pace with enrolment. Internationally, Canada lags behind many of its peers in providing public support for higher education and training. Twenty-seven OECD countries rank ahead of Canada in terms of their proportion of post-secondary education funding coming from public, rather than private, sources.<sup>30</sup>

#### **This AFB will:**

**Work with the provinces and territories to develop a progressive vision** for a renewed post-secondary education system, based on core principles of universality, accessibility, affordability, and public administration. It will also commit to a plan for education and lifelong learning that is free to all by reducing, and eventually eliminating, tuition. To support these efforts, this AFB will establish a dedicated Post-Secondary Transfer that is separate from the existing Canada Social Transfer; boost direct federal post-secondary education funding to the provinces and territories by an additional \$3 billion starting in 2022–23; ensure that funding keeps up with inflation and enrolment growth through the application of a 3% escalator; and require accountability and transparency for federal funding and impact.

**Establish a federal post-secondary education secretariat** within the federal government to facilitate collaboration with the provinces and territories, Indigenous Peoples and governments, and experts and stakeholders; and to co-ordinate activities pertaining to, for example, research and science, student assistance, protections for international students, and data and innovation (\$20 million over five years).

**Properly fund investigator-led research in Canada** by implementing the recommendations of the 2017 Naylor report, *Investing in Canada's Future: Strengthening the foundations of Canadian research*, to support vital publicly funded and owned research. The AFB will commit the final

\$185 million a year, ongoing and indexed to inflation, to reach the Naylor targets.

**Merge existing federal training transfers into a single Workers Development and Opportunities Fund (WDOF)** to guarantee an effective right to lifelong learning and mandate that employers spend at least 1% of payroll on training and development, with a fine of 2% of payroll for non-compliance (to be paid into the new WDOF; see *Employment chapter*).

**Provide fair wages and secure working conditions for all workers**

As a result of the gradual but relentless decline in the share of public funding of post-secondary education, post-secondary institutions have embraced the privatization and casualization of the academic labour force by creating a poorly paid contingent workforce. Post-secondary institutions use non-permanent positions to avoid the ongoing commitments (in salary, benefits, and career development) that they must make to full-time permanent employees. Contract academic staff shoulder an immense workload for paltry pay, and they do their jobs without the resources afforded to full-time and tenure-track faculty. This makes it difficult for them to supervise students and contribute new knowledge as researchers and scientists. In many cases, contract academic staff are ineligible to receive research funding or to be the principal investigator in research projects without multi-year academic affiliation contracts. Women and racialized faculty members are overrepresented among contract academic staff, which contributes an additional burden to their invisible labour (e.g., mentorship and participating on committees) which goes unacknowledged in considerations for tenure and promotion.<sup>31</sup>

**This AFB will:**

**Support a workforce renewal strategy** that limits the sector's use of temporary contracts and casual jobs, contracting out, and privatization, requires equal pay for equal work, and sets a maximum salary ratio for administrators tied to enhanced public funding;

**Limit corporate influence over education** by providing adequate public funding and establishing requirements for transparency and public disclosure of corporate contracts and donations in order to protect academic freedom;

**Increase support for the collection of vital data** on the post-secondary sector through a new Statistics Canada initiative (costing \$5 million a year). It would include national standards for the collection and reporting of disaggregated data on access, affordability, quality, equity,

mental health, and employment and working conditions of faculty, staff, researchers, and student workers.

### **Direct funding for student grants**

Access to higher education is an increasing challenge for low- and middle-income students. As public funding has declined, tuition has skyrocketed. Since 1980, average domestic undergraduate tuition has increased by 215% and domestic graduate tuition has increased by 247%, after accounting for inflation. Fifty per cent of university graduates today leave school with an average of nearly \$28,000 of debt, which takes an average of 9.5 years to repay.<sup>32</sup>

A significant proportion of available student financial assistance comes through tax measures; however, tax expenditures (where the government forgoes tax revenue it would have otherwise collected) are notoriously regressive. Unless they are refundable, they only benefit those who have enough taxable income to see a significant reduction in their taxes. An analysis by the Parliamentary Budget Officer found that nearly 40% of the Tuition Tax Credit value goes to the richest 20% of families.<sup>33</sup> Similarly, Canada Education Savings Grants, which match contributions from families to a Registered Education Savings Plan (RESP) and account for 12.5% of direct federal student support, disproportionately go to higher-income families.<sup>34</sup> Although the Canada Learning Bond was created to provide more funding for low-income families through RESPs, only one-third of eligible families actually receive any benefit.<sup>35</sup> Only 24% of direct federal support for students come in the form of non-repayable grants and scholarships.

#### **This AFB will:**

**As a first step towards affordability, eliminate interest on federal student loan debt**, permanently following the waiver in 2022–23; extend the six-month grace period following graduation to part-time students; and make the Repayment Assistance Plan accessible to all borrowers after five years. In addition, this AFB will make permanent the doubling of the Canada Student Grant announced in Budget 2021, as a step toward a 50:50 funding model for grants and loans. These reforms will be financed by eliminating the Canada Education Savings Program, the Tuition Tax Credit, the student loan interest tax credit, and the Canada Training Credit.

**Extend eligibility for Canada Student Grants** to full-time graduate students and create 1,250 new \$20,000 Canada Graduate Scholarships (at a cost of \$25 million a year), to improve access to graduate studies among low-income and other under-represented students.

**Increase funding for Indigenous post-secondary education** for First Nations, Métis and Inuit students by \$650 million annually. This will help to eliminate the gap in post-secondary attainment between Indigenous and non-Indigenous students, and it will support efforts to develop and expand culturally appropriate Indigenous education models and curricula.

**Introduce measures to improve the experience of international students** through better regulations around international student recruitment, including stronger penalties for unscrupulous recruiters and exploitative employers (\$20 million a year for improved inspection and enforcement).

### **Ensure the recovery of an inclusive and vibrant cultural sector**

The 2021 federal budget correctly points out that “cultural experiences... are central to our well-being.” Because of the COVID-19 pandemic, Canadians have been cut off from many of the activities that they enjoy. Culture matters in our lives. We need opportunities to create, to celebrate, to be entertained, and to be inspired to action.

But whose culture counts?

All levels of government in Canada have played a role in supporting Canada’s cultural sector. The 2021 federal budget made substantial commitments to the cultural sector to address the devastating effects of the pandemic. But as Canada’s demographics change, and as Indigenous and non-Indigenous Canadians reconcile with this country’s colonial past and present, are new investments merely reinforcing colonial models and dominant cultures? Are we truly ‘building back better’?

Prior to the COVID-19 pandemic, the cultural sector’s share of Canada’s GDP was more than \$57.5 billion and it accounted for 670,000 jobs.<sup>36</sup> According to the 2016 General Social Survey, half of Canadians aged 15 or older made or performed art that year; 86% attended at least one arts event.<sup>37</sup> But not everyone felt welcome. In a 2018 survey, Indigenous Peoples and racialized people were 65% more likely than non-Indigenous people to report that they stayed away from some cultural activities because they do not reflect people of a range of backgrounds.<sup>38</sup> Disparities exist among people who work in culture occupations. According to the 2016 Census, women working in culture occupations were earning 36% less than their male counterparts,<sup>39</sup> while Indigenous cultural workers earned 22% less than non-Indigenous cultural workers.<sup>40</sup>

### **Track disaggregated community level information on the cultural sector**

It is encouraging that the Department of Canadian Heritage is planning to conduct a review of many of its programs, focusing on equity, diversity, and inclusion. We hope to see a formal announcement, with details, of this review in the coming months. Programs must be reviewed through an intersectional lens: racial, gender and marginalized genders, 2SLGBTQIA+, ableism, newcomer, and social-economic. Broad consultation with cultural workers, audiences, and others will be key. Not all voices are represented in the organizations that Canadian Heritage typically consults.

Budget 2021 made an important commitment to developing a Disaggregated Data Action Plan—a first for Canada. To identify and address the needs of underserved communities, cultural sector organizations need reliable data on cultural activities and interests that are disaggregated by gender, race, language, and other demographic factors. Data must be available for free and include local communities and regions, not just national data.

The government itself, along with its agencies, commissions, and crown corporations such as the CRTC, CBC, and Canada Council for the Arts, must use these data to track progress toward creating more opportunities for Indigenous and equity-seeking communities. The Department of Canadian Heritage needs to establish clear targets for creating a more equitable cultural sector in Canada, and federal cultural institutions need to be held accountable. As the Racial Equity Media Collective (REMC) noted in its brief for Bill C-10, “Without accountability, measurement, and ongoing engagement, we are bound to repeat the past.”<sup>41</sup>

**This AFB will create a new Statistics Canada survey** that will produce disaggregated community-level data to address the needs of cultural sector stakeholders with the intention of expanding opportunities for Indigenous and equity-seeking communities and creating a more equitable cultural sector in Canada (\$10 million a year).

### **Ensure fair pay for content creators**

Substantial changes were already occurring in Canada’s cultural sector before 2020, but the COVID-19 pandemic has accelerated some; notably, the rapid growth of digital content and digital content creators. A new generation of creators is building audiences and revenue streams through online platforms. But the ‘shift to digital’ has created challenges

with ensuring the rights of Official Language minorities and Indigenous Peoples due to outdated copyright protections and broadcast regulations.

The openness of some online platforms, such as YouTube and TikTok, has created space for artists and creators whose work may not have been promoted through traditional media. But significant discrepancies in levels of connectivity across the country often result in Indigenous and rural communities being left behind. These online platforms, which are usually foreign-controlled entities, wield considerable power through algorithms that determine which content is promoted and to whom. They also receive a lot of the revenue that results from the content posted. At this point, it is unclear how much of the estimated \$700 million in annual tax receipts from the Digital Services Tax will come from content-delivery companies.

The portion of the Digital Services Tax collected from foreign companies involved in content delivery should be used to support Canadian content creators. Canada Council funds such as Digital Now and Digital Originals helped support the shift to digital during the pandemic, but these were one-time funds. This AFB will allocate \$85 million to create similar initiatives in the future. It will later link the new digital creators fund to the Digital Services Tax to provide long-term and ongoing funding.

### **Sustain and expand the capacity of the arts and culture sector**

The COVID-19 pandemic is not yet over. Even with vaccines rolling out and much of the economy reopening, many parts of the cultural sector still face restrictions. This is especially true in the performing arts. The GDP of performing arts and festivals declined by more than 60% in 2020.<sup>42</sup> It may be a while before the sector fully recovers, as restrictions on large public gatherings remain in place. Even as restrictions are lifted, some audiences may be hesitant to return. Wage and rent subsidies have made it possible for many cultural organizations to stay afloat, but their impending expiration will necessitate extensions for those most affected.

Many organizations will incur extra costs to ensure the safety of their audience (e.g., improved ventilation, enhanced cleaning protocols, hand sanitizer). The \$3 billion stabilization fund for non-profits and charities outlined in this AFB will be crucial. Long-term and sustainable funding mechanisms are needed to ensure that Canada's cultural sector, in all of its diversity, can flourish. Targets will be established to monitor progress in ensuring the diversity of long-term funding recipients.

The sector needs to be able to access diverse funding sources. Culture affects, and is affected by, health, education, justice, the

environment, childcare, and much more. As a first step, this AFB will expand the definition of “community infrastructure” to include cultural infrastructure. Cultural organizations will thus be eligible for funding from the new Canada Community Revitalization Fund announced in Budget 2021 and from the new 1% increase to the federal GST to municipalities (see *Physical Infrastructure* chapter). The federal government will also work with local cultural sector stakeholders, particularly those from underserved communities, to identify opportunities for including cultural spaces in Community Benefit Agreements, to be negotiated as part of all large-scale public infrastructure projects (see *Employment and Job Creation* chapter).

We cannot expect the sector to flourish in the long term when artists must survive from grant to grant. Although the Canada Council for the Arts provides “core” multi-year operating funding to major performing arts companies and visual arts institutions, this funding tends to exclusively benefit a limited number of well-established organizations. Artists outside these large organizations face much greater uncertainty. This AFB will increase longer-term funding opportunities, especially for individual artists and organizations from Indigenous and equity-seeking communities. Targets will be established for the diversity of long-term funding recipients.

**This AFB will:**

**Direct the Canada Council for the Arts to distribute its substantially increased budget more equitably**, particularly for individual artists and organizations from Indigenous and equity-seeking communities.

**Expand access to community infrastructure funding** to include cultural organizations and increase funding opportunities beyond existing conventional programs and sources such as Canadian Heritage and the Canada Council.

**Protect the livelihoods and careers of artists and cultural sector workers.** Although immediate support was needed (and must continue) to help the cultural sector survive the COVID-19 pandemic, we must remember that some of those measures would not have been necessary if Canada’s social safety net had kept pace with changing economic and social realities. To be prepared for future crises, many improvements are needed to strengthen and expand access to income security programs (like a Canada Livable Income; see *Income Supports* chapter) and provide meaningful protections for gig workers, a common type of employment in the cultural sector.

## **Strengthen Canada's network of non-profits and charities**

This AFB sees non-profits and charities as foundational to economic recovery and to a vibrant, equitable, and ecologically healthy society. The non-profit and charitable sector has been hit hard by the pandemic, and it requires federal government leadership to weather the storm; provide frontline services, supports, and advocacy; and be ready for the future.

The non-profit sector has suffered from neglect. Demand for services has increased, yet funding is constrained. The rules governing the operations of charities and non-profit organizations are outdated and counterproductive. The inadequacy of information about the sector prevents evidence-based decisions that are needed to ensure the sustainability of individual organizations and the sector as a whole.

The pandemic has revealed the damaging and well-known consequences of relying on the for-profit sector to deliver essential human services. Building back better requires strengthening both the public and community non-profit sectors and democratizing services so they may be fully responsive and accountable to the communities they serve. We must look at how organizations are funded and the ways in which current funding practices hinder their ability to pursue their mission and serve their communities.

The long-term development of, and investment in, the sector must begin now. The Senate report, *Catalyst for Change: A Roadmap to a Stronger Charitable Sector*, reflects an extensive analysis of the strengths and needs of this sector.<sup>43</sup> Its recommendations offer a blueprint for strategic action moving forward.

## **Extend supports to non-profits and charities**

Organizations across the country have benefitted from the emergency support that was made available to charities and non-profit organizations. These funds have helped some organizations respond to a steady rise in demand, supplement lost donations and fees, and maintain their workforce. The current strain remains concerning, especially upon smaller organizations and those in the arts, sport, and heritage, which have been effectively shut down for over a year. Looking at an uncertain recovery, these organizations will require assistance to survive and adapt to a very different future. Such support will save thousands of jobs, mitigate the impacts on local economies, and prevent the devastating downstream costs of the loss to vital community capacity and support.

### **This AFB will:**

**Create a sector stabilization fund** of \$3 billion to support direct operational costs and investments needed to adapt and modernize



program delivery, ensuring that non-profit organizations and charities are prepared to take advantage of future financing and fundraising opportunities. This AFB will also earmark funds to expand or support non-profit community initiatives that aim to reduce social and/or economic inequities, with a particular focus on those led by and/or serving equity-seeking communities, building on announcements in Budget 2021.

**Increase the LGBTQ2 Capacity Building Fund** to \$25 million a year over three years. Capacity building funds are essential to helping 2SLGBTQQIA+ community organizations strengthen existing policies and programs.

**Promote and require the use of local and social procurement,** including through Community Benefit Agreements, in all recovery-related and new infrastructure spending to address racial, gender, disability and other inequities in the labour market. This will ensure that planned investments—including access to capital and operational grants—are available only to non-profit organizations, charities, and other public sector providers (*See Employment chapter*). This AFB will expand support for small- and medium-sized businesses to include non-profits and charities.

**Extend the Enabling Accessibility Fund** (at \$50 million per year) beyond 2022 to support non-profit organizations, women's shelters, child care centres, small municipalities, Indigenous organizations, territorial governments, and small businesses in offsetting the costs of renovations, retrofits, and introducing accessible technologies in workplaces.

### **Strengthen relationships with non-profit organizations and charities**

Charities and non-profit organizations are embedded within the communities they serve and are well positioned to respond to social challenges as they arise. However, they do so on precarious terms; they are funded through an inadequate model consisting of unpredictable individual donations and gifts, earned income, and government service and project contracts. These arrangements are time-consuming and inefficient: they require constant renewal and contact, and many contracts are short-term and project-based, involving onerous reporting requirements. What's needed, as the Senate report lays out, are clear, measurable reforms, including a shift to multi-year funding, recognition of the role of core funding, compensation for the full administrative costs associated with programs and services, and standardized reporting.

Funding reform is essential to the continued vitality and sustainability of non-profit organizations and charities; however, it requires an updated legal framework "fit for its purpose" and a renewed relationship with

the federal government. The non-profit and charitable sector need to be recognized as the critical partner that it is—and treated as such.

**This AFB will:**

**Create a “home in government”** by immediately establishing a secretariat within Innovation, Science and Economic Development Canada that is dedicated to the well-being of the non-profit sector. This would place non-profit organizations and charities—which generate 8.5% of GDP and employ 2.4 million people, 80% of whom are women—on a more even footing with other economic sectors.<sup>44</sup>

**Move forward with long-term funding reform,** making funding systems appropriate and consistent across government. This includes the requirement that all grant programs provide flexible, multi-year funding that fully covers related non-profit administrative and staffing costs. This AFB will also direct the Canada Revenue Agency (CRA) to modernize tax laws to support, rather than hinder, the sector’s activities. Key priorities include replacing the rules that currently govern how charities partner with non-qualified donees to enable more equitable partnerships and access to charitable dollars (this will foster and support grassroots community organizing) and remove constraints so that public benefit non-profit organizations can earn income to re-invest in their missions.

**Provide Statistics Canada with a clear mandate and financial support** (totalling \$1 million per year) to collect and publish comprehensive and comparable data on the non-profit and charitable sector, similar to what is available to other economic sectors. This includes preparing annual updates to the Satellite Account of Non-profit Institutions and Volunteering. A total of \$10 million over three years will be allocated to finance the reinstatement of the National Survey of Nonprofit and Voluntary Organizations, last conducted in 2003, to permit the collection of critical data on organizational capacity, labour information, populations served, and other details related to mission attainment.

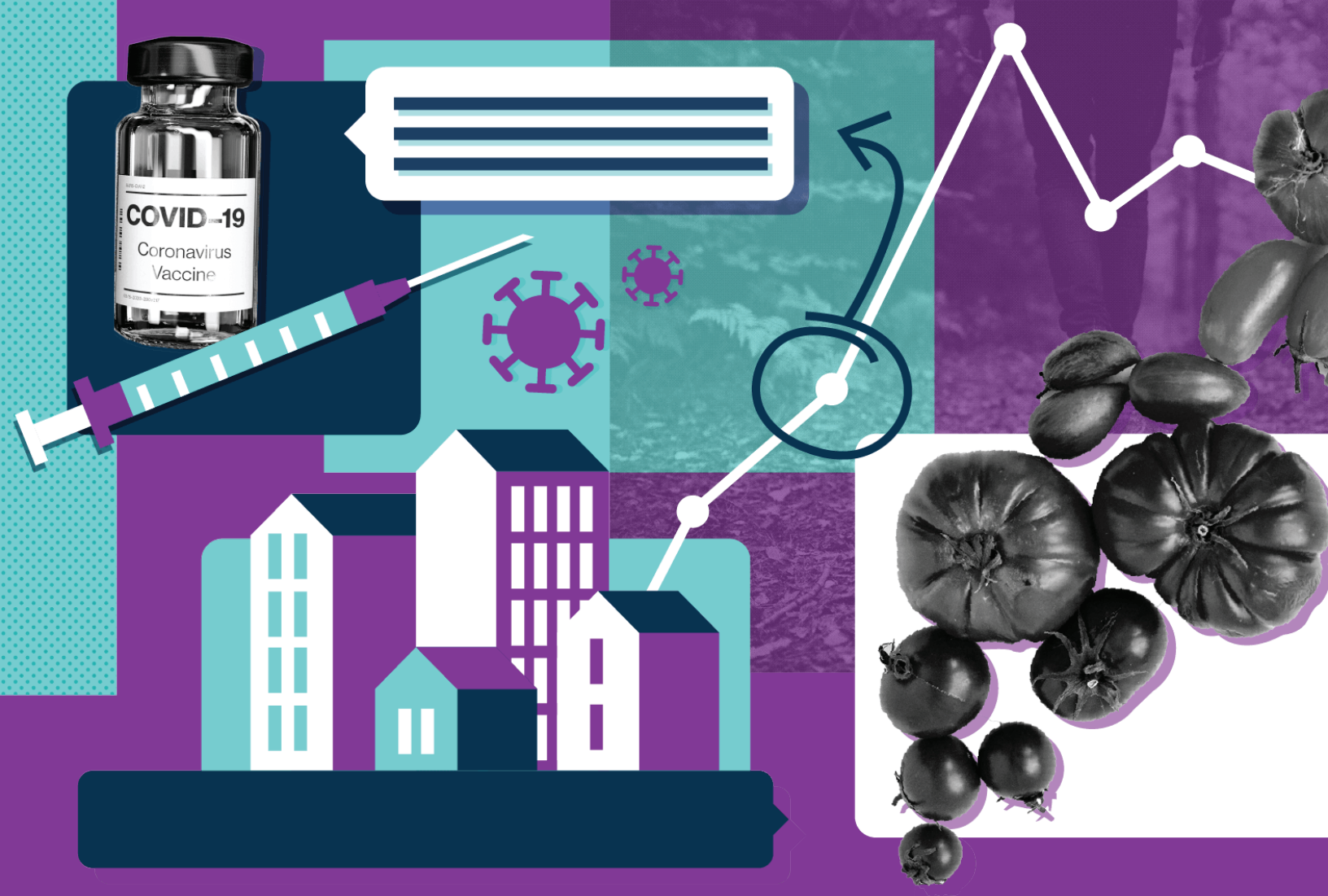
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## Conclusion

Before the COVID-19 pandemic hit, a social, economic, and environmental reset to uphold equality, well-being, and sustainability was long overdue. We are at a turning point. We know that Canada can come out of the crisis with a stronger, publicly planned and managed care economy, a valued care workforce, and a more equitable distribution of caring labour. Strengthening and expanding Canada’s social infrastructure is essential to ensuring that all people, and the planet, can thrive.

**Table 2.1 Costing of social infrastructure items (\$mil)**

Social infrastructure	2022-23	2023-24	2024-25
<i>Long-term care</i>			
Establish a National Care Economy Commission	5	5	0
Move LTC and community care funding towards 2% of GDP	337	663	1,000
Establish national standards so that seniors' care is universal, public, comprehensive, accessible and portable	1,175	2,350	2,421
Establish a long-term care labour force strategy	500	0	0
<i>Child care</i>			
National \$10-a-day child care	4,906	6,208	7,237
Funds in the fiscal framework	-4,906	-6,208	-7,237
<i>Gender-based violence</i>			
Expand access to domestic violence leave to 10 paid days and 10 unpaid days in federally regulated sectors	20	20	20
<i>Indigenous women</i>			
Expedite process for eligible Indigenous women to register their children under changes in the Indian Act	71	407	407
<i>Post-secondary education</i>			
Establish a dedicated Post-Secondary Transfer separate from the Canada Social Transfer	3,000	3,090	3,183
Establish a federal post-secondary education secretariat.	4	4	4
Fund investigator-led research in Canada	185	185	185
Increase support for and collection of vital data on the post-secondary sector through Statistics Canada (at a cost of \$5 million per year)	5	5	5
Cancel Canada Education Savings Program and Canada Learning Bond	-1,386	-1,436	-1,486
Eliminate the federal tuition tax credit	-1,310	-1,469	-1,649
Eliminate the student loan interest tax credit	-34	-40	-41
Cancel Canada Training Credit	-210	-230	-815
Eliminate interest on federal student loan debt permanently	0	550	578
Make permanent the doubling of the Canada Student Grant	0	1,872	1,872
Create additional 1,250 Canada Graduate Scholarships	25	25	25
Increase funding for Indigenous post-secondary education	575	650	650
Provide better regulation of international student recruitment	20	20	20
<i>Arts and culture</i>			
Support the generation and publication of disaggregated community level data to address the needs of cultural sector stakeholders	10	10	10
Double Canada Council for the Arts—Digital Strategy Fund to support online content creators	85	85	85
<i>Non-profits and charities</i>			
Create a sector stabilization fund of at least \$3 billion to support direct operational costs and needed investments in adapting and modernizing program delivery	1,500	1,500	0
Increase the 2SLGBTQ+ Capacity Building Fund	25	25	25
Extend Enabling Accessibility Fund beyond 2022-23	0	50	50
Establishing a non-profits and charities secretariat within Innovation, Science and Economic Development Canada	4	4	4
Reinstatement of the National Survey of Non-profit and Voluntary Organizations	6	2	2
Statistics Canada to provide annual updates to the Satellite Account of Non-profit Institutions and Volunteering	1	1	1



## Chapter three

# Health equity

## Health and well-being for all

Health cannot be separated from the social, economic, and political environment.

The unequal distribution of health-damaging experiences is not in any sense a 'natural' phenomenon but is the result of a toxic combination of poor social policies and programmes, unfair economic arrangements and bad politics.<sup>45</sup>

**T**HE COVID-19 PANDEMIC has laid bare the urgency of advancing a broad vision of health policy with equity as the centrepiece<sup>46</sup> and the clear need for federal leadership to make it happen. The AFB explicitly embraces a version of health that extends beyond medical care, recognizing that access to a robust public universal health care system is essential (and recommendations to make it more robust are included in this chapter) yet insufficient in and of itself to support health and well-being for all. COVID-19 has exposed health inequities that are endemic to the whole system. In short, this AFB addresses the root causes of poor health and health inequity.

This chapter is anchored in concepts of *social determinants of health* and *health equity*. These concepts foreground the knowledge that—as unequivocally asserted by the World Health Organization (WHO) Commission on Social Determinants of Health (CSDH)—health and well-being are significantly influenced by the conditions in which we are born, grow, live, work, and age and the systems of privilege and oppression created and perpetuated by their public policy antecedents.<sup>47</sup>

The inequitable distribution of these social determinants creates health inequities—unfair and avoidable differences in health outcomes between groups, which particularly disadvantage Indigenous Peoples (including First Nations, Inuit, and Métis Peoples), women and gender-diverse people, racialized people, newcomers, people with precarious immigration status, people with disabilities, and others who are marginalized.<sup>48</sup> Health inequities and socio-economic factors concurrently reflect their interaction with structural forces, such as climate change, environmental threats, one's relationship with the land, and the continuing impact of colonialism and racism. Collectively, these determinants explain

why we have inequities in power, privilege, health access, and health outcomes.<sup>49</sup> The phrase *social determinants of health*, as we use it here, includes and embraces what some refer to as 'structural determinants' or 'societal forces.'

Inequities certainly manifest in health care settings and systems. Stigma and discrimination in the health system on the basis of the factors identified above, including race, ethnicity, gender and gender diversity, sexual orientation, age, income, body size, and health conditions such as physical or cognitive disabilities, mental illness, substance use disorders, and HIV are associated with poorer physical and mental health outcomes.<sup>50</sup> The current version of primary health care in Canada results in services that do not properly address the diversity of lived experiences. The omission of certain key, almost universally needed services like dental care and pharmacare from Canada's public health care system—coupled with under-funded services like mental health care—leaves many people behind on the basis of cost, which reinforces health inequities in Canada. These omissions represent a departure from the original, historic vision of medicare as a comprehensive, universal program underpinned by values of equity, fairness, and solidarity.<sup>51</sup>

In addition to addressing these problems within Canada's health care system, a vision for health equity must explicitly and substantively extend beyond the health care system. The current federal government recognizes the imperative of working across ministries and sectors to address health, but it has not integrated a health-in-all-policies approach or any kind of pan-Canadian arrangement to co-ordinate federal/provincial/territorial relations around health, understood broadly as including well-being and social determinants.<sup>52</sup> Well-being and health equity are significantly shaped and influenced by government decisions across policy domains such as social services, education, transportation, environmental protection, labour, and finance. Recovering from this global pandemic necessitates stronger federal leadership in co-ordination with the provinces and territories.

This chapter provides a road map for transformative change that foregrounds the social determinants of health and centres well-being and health equity as the core indicators of inclusiveness and sustainability.

### **The time to embed health equity in transformative change is now**

The COVID-19 pandemic has presented a momentous opportunity to advance a broader vision for public health and health equity. By some accounts, there has been a paradigm shift from a narrower reliance on

cost savings evidence in health interventions to a broader recognition of the inherent value of a healthy and equitable society.

However, the current federal government has consistently prioritized short-term spending and programs over long-term transformative approaches to support community well-being and health equity that would be on par with efforts undertaken during other periods of societal upheaval, such as WWII.<sup>53</sup> Although the federal government's Quality of Life framework articulated in the 2021 federal budget provides a hint of a broader emphasis on community well-being<sup>54</sup> it has been short on follow-through. Action is needed now, as we navigate the pandemic crisis, attempt to recover and reform failed systems, and prepare for future crises.

The pandemic has shown, in no uncertain terms, that health cannot be separated from the broader social, economic, and political environment.<sup>55</sup> Significant barriers to health and health care have become glaringly obvious to many populations, including, but not limited to, Indigenous Peoples, and Black and racialized peoples in Canada. Trust in our public institutions has been eroded, which must be addressed through renewed discussion about our social contract, federal fiscal transfer agreements, and the need for national standards to ensure health equity for all (see *Introduction chapter*). The ecological emergency and the opioid crisis, which have immense implications for community well-being and health equity,<sup>56</sup> have taken a back seat to other priorities during the pandemic and must be brought to the forefront and tackled with urgency. There is an obvious need for a new way of thinking about health and well-being as well as the role of government to ensure equitable outcomes.

Envisioning a broader vision of health equity involves reframing the concept of health itself. As reflected in public policy, our collective understanding of health and public health tends to be narrow and shallow. Notwithstanding the presence and impact of progressive voices around health and health care, for many people concepts of health and public health conjure hospitals and physicians, or what people personally can do to achieve a healthy lifestyle.<sup>57</sup> These narrow connotations are perpetuated by mainstream media. While health care services and personal behaviour are important elements of health, they are only a small part of the story shaped by the broader context of social, economic, ecological, and colonial factors at the root of what determines why some people are healthy and others are not.

## Connecting the dots

This AFB presents a platform to connect the dots between health and well-being, including its inequitable distributions on the one hand, and its broader social determinants on the other. It does so by identifying and costing out federal policy proposals to improve population well-being and health equity.

We draw on two key sources to structure the chapter. The first is *Social Determinants of Health: The Canadian Facts*,<sup>58</sup> which is a succinct compilation of social determinants of health knowledge in the Canadian context. Second, we use the overarching recommendations from the 2008 final report of the World Health Organization (WHO) Commission on Social Determinants of Health (CSDH).<sup>59</sup> Based on principles of social justice, the CSDH was established to gather and synthesize evidence on what could be done to foster a global movement to achieve health equity.

We acknowledge that the WHO has been criticized for its handling of the COVID-19 pandemic,<sup>60</sup> which, in part, reflects budgetary challenges and a set of historical and ongoing financial and political interests.<sup>61</sup> That said, we view the work of the CSDH as a report whose time has come. With respect to health care in particular, the chapter is also informed by important ideas and milestones in the history of medicare in Canada and their (unrealized) emphasis on comprehensive public health care services.<sup>62</sup>

We begin with an overarching proposal which we consider fundamental to health equity: re-orienting federal governance so that it is guided by community well-being for all rather than economic growth. Subsequent proposals align with that overarching proposal and are organized using the three CSDH recommendations as follows:

1. Improve daily living conditions, the longest section, includes proposals to strengthen the care economy, physical infrastructure, employment policy, income supports, and health care;
2. Tackle the inequitable distribution of power, money, and resources highlights additional proposals that aim to shift dominant political and economic processes and narratives;
3. Measure and understand the problem and assess the impact of action includes proposals that support these activities by ensuring equity-focused data, reporting infrastructure, and education/training.

As predicted by the CSDH framework, many proposals relevant to well-being and health equity are primarily situated in other chapters of the AFB. Accordingly, we liberally reference those other chapters.



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## Proposals

### Overarching proposal

In strong alignment with the social determinants of health and health equity, this AFB proposes to re-orient federal administration toward a well-being approach to governance, including fiscal policy. A well-being approach recognizes that gross domestic product (GDP), the current marker of progress, is not a good indicator of a society's health or prosperity. It recognizes that gauging the long-term impact of policies on the quality of people's lives is better than focusing on short-term output measures and that issues such as mental health, the environment, and social connectedness profoundly affect how well a society is doing.

**This AFB includes \$8 million over 3 years to develop, substantively implement, and evaluate, on an ongoing basis, a framework for governance where policy decisions are based on their impact on the quality of people's lives and the health and sustainability of the planet.** This work could draw on the Quality of Life Framework included in the 2021 federal budget,<sup>63</sup> but it must go beyond that work to fully embrace Indigenous values, knowledge, and ways of knowing<sup>64</sup> and to tackle the inequitable distribution of power, money, and resources. The work will necessarily be collaborative and intersectoral, involving the Department of Finance, Statistics Canada, Indigenous and other communities, the Canadian Institutes of Health Research, the Public Health Agency of Canada, and critical scholars of health equity, among others. It will be informed by important work elsewhere to advance robust mechanisms for application and accountability.<sup>65</sup>

In the spirit of the intersectoral nature of the social determinants of health, this work could include efforts to reorient and broaden the scope of intergovernmental dialogue and negotiations around health beyond the Canada Health Transfer and Canada Health Act (which address medical care) to include previously announced federal investments in areas like housing and child care (i.e., social determinants of health). For example, in light of the significant and growing cost of health care, this work could consider options to implement the evidence-based recommendation for provinces and territories (via conditionalities of transfer payments) to increase the amount spent in social ministries relative to that spent in health care.<sup>66</sup>

We acknowledge the non-trivial challenges presented by the traditional conservatism of the federal finance department, the strong tendency to silo-ism and territoriality among Canadian governments, and the one-term election cycle phenomenon. This well-being governance

proposal therefore casts a wide net for creative public administration proposals, such as trade-offs between different approaches to deal with these traditional barriers to pan-government action.

With the COVID-19 pandemic, the need for a transformative, cross-cutting approach to governance to achieve health equity could not be clearer. As part of informing the governance model, **this AFB commits \$6 million to an independent commission to lead a national inquiry on COVID-19 and health equity.**

The proposals included in this chapter are compatible with the overarching well-being governance framework. Proposals in bold font are unique to this chapter.

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## Improve daily living conditions

With respect to daily living conditions, we organize proposals in this first section in line with the 2008 WHO CSDH:

The inequities in how society is organized mean that the freedom...to enjoy good health is unequally distributed within societies. This [health] inequity is seen in the conditions of early childhood and schooling, the nature of employment and working conditions, the physical form of the built environment, and the quality of the natural environment in which people reside. Depending on the nature of these environments, different groups will have different experiences of material conditions, psychosocial support, and behavioral options, which make them more or less vulnerable to poor health. Social stratification likewise determines differential access to and utilization of health care, with consequences for the inequitable promotion of health and well-being, disease prevention, and illness recovery and survival.<sup>67</sup>

**Early childhood circumstances, care, and education.** There is strong evidence that early childhood experiences have both immediate and enduring biological, psychological, and social effects on health. Research shows that a sizable percentage of Canadian children (approximately one third of boys and one in five girls) is vulnerable in at least one of the following categories: physical health, social competence, emotional maturity, language and cognitive development, and communication skills and general knowledge. These vulnerabilities are socio-economically patterned.

Access to affordable, high-quality child care can significantly improve children's well-being, yet only about one in five Canadian families has

access to regulated child care.<sup>68</sup> This AFB will ensure that commitments to affordable and high-quality child care announced in the 2021 federal budget and recommitted in the Liberal platform are fully realized for all families, regardless of their income or wealth (see *Social Infrastructure and Care Economy chapter*).

Higher levels of education are associated with better health and tend to lead to higher income, better employment and working conditions, better health literacy, and better opportunities to engage in civic and political processes. These benefits of higher education extend to families, providing a stronger and more secure environment for children to grow and develop. Although Canada compares favourably with other Organization for Economic Co-operation and Development (OECD) nations in terms of average standardized Programme for International Student Assessment (PISA)<sup>69</sup> reading scores and post-secondary education participation, inequities are significant. There is a very strong link between children's educational performance and their parents' education level, indicating that social mobility is limited.<sup>70</sup> The continual encroachment of privatization at all levels of education, including child care, primary and secondary education, and post-secondary education,<sup>71</sup> threatens to further exacerbate inequities in education and health.

This AFB commits to adequately fund a high-quality public post-secondary education system and to take steps toward eliminating tuition fees for post-secondary education (see *Social Infrastructure and Care Economy chapter*).

**Nature of employment and working conditions.** Employment and working conditions are important determinants of health, in part because of the large amount of time that we spend working and the impact of employment on family income and opportunities. Employment provides income and a sense of identity, and it helps structure day-to-day life. Work dimensions with evidence-based implications for health include, but are not limited to, employment and income security (or lack thereof), physical conditions of work, work demands and stress, hours and scheduling, and opportunities for autonomy.<sup>72</sup>

COVID-19 has exposed the inequities within Canada's labour market. Low-income, racialized, newcomer, and migrant communities became the new "essential workers," putting their lives on the line to keep the supply chain going, service grocery stores, deliver food and other necessities to people sheltering at home, and provide essential care services such as personal support work in long-term care facilities. Many workers had no choice but to continue to work in crowded and unsafe conditions because they had no access to paid sick days.

This AFB addresses these and other issues through improvements and better access to the existing Employment Insurance (EI) system, with lower entry requirements and a better income replacement rate, particularly for those with precarious immigration status (see *Income Supports chapter*).

This AFB also calls for substantial improvements to employment quality, standards, and fairness by, among other things, establishing an independent commission to research minimum wage policy in Canada; ensuring that high-quality, stable employment in Canada underpins federal investments; implementing Community Benefit Agreements to increase local and equitable employment opportunities and skills development; and strengthening the federal *Employment Equity Act* to ensure that racialized and historically disadvantaged communities have equitable access to the labour market (see *Employment and Job Creation chapter*).

**This AFB will also improve access to paid sick leave by recognizing it as a population health improvement measure and committing \$750 million in 2022–23, 2023–24, and 2024–25, respectively, to create the Canada Sickness Benefit. This benefit would cover 10 paid sick days per year for all workers, including those who are self-employed, and not just for those with COVID-19 related illness (as was the case for the Canada Recovery Sickness Benefit).**

It also encourages the introduction of provincial/territorial legislation that would mandate all employers to provide at least 10 days of paid sick leave to all workers.

**Income supports.** Income is a very important determinant of health; it shapes overall living conditions, health-related behaviours, and the quality of other determinants such as food security and housing.<sup>73</sup> Poverty, which presents a significant barrier to health and well-being, is disproportionately experienced by working age adults without children, Indigenous Peoples, racialized people, people with disabilities, women and gender-diverse people, newcomers, and migrants.

Although Canada has some income support programs for those who are not in the paid labour force, they are insufficient. The Old Age Security and Guaranteed Income Supplement for seniors and the Canada Child Benefit for families with children do not adequately meet basic needs. Support for working-age adults without children is essentially non-existent and is totally inadequate for people with disabilities.

To address these problems and gaps, and as discussed in the *Income Supports chapter*, this AFB commits to funding four federal pillars of a basic income. These pillars include improvements to the Canada Child

Benefit and the Guaranteed Income Supplement (improvements to the latter were announced in the 2021 Liberal platform) and the creation of two new programs, the Canada Disability Benefit and the Canada Livable Income. These federal pillars will support the provincial pillar of social assistance (which is problematic due to inadequate levels and significant barriers to access) via a new supplement to the Canada Social Transfer with conditionalities.

**Physical and built environment.** If health equity and community well-being were at the forefront of all levels of government decision-making, our communities would be designed differently. Roads and sidewalks would be designed to encourage walking and cycling rather than vehicle traffic jams. Every neighbourhood would have life-enhancing and inclusive features such as public parks, green space (e.g., forests, meadows), or blue space (e.g., community pools). Public transit systems would be available free of charge, which a growing number of cities around the world are embracing.<sup>74</sup> Public transit is a gendered, classed, and generational issue: women and young people, as well as those with lower-income and/or precarious work, are more likely to use public transit.<sup>75</sup> Inequities arise when there are barriers to its use (e.g., insufficient or inadequate infrastructure, higher costs, and physical accessibility issues). This AFB will create and fund a new National Community Development Agency, which will, among other things, be responsible for working with provinces and cities to develop and co-ordinate a National Transit Strategy that makes greenhouse gas emission reduction a core priority (see *Physical Infrastructure* chapter) and moves to ensure accessible transit is public.

Poor quality and increasingly unaffordable housing is a key threat to community health and well-being.<sup>76</sup> The importance and benefit of investing in affordable housing is clear and obvious:

Hospital bed: \$10,900/month. Provincial jail: \$4,333/month. Shelter bed: \$1,932/month. Social housing: \$199.92/month. Make no mistake: Housing doesn't just save lives, it also saves money.<sup>77</sup>

Indeed, housing may be one of the most impactful post-COVID-19 interventions: one that is supported, in principle, by Canada's National Housing Act.<sup>78</sup> This AFB commits to implement the National Housing Strategy in a way that substantially meets key criteria toward achieving health equity (see *Physical Infrastructure* chapter) and sets national standards for accessible housing for people with disabilities.

Chronic and long-standing underfunding has created a \$30 billion infrastructure gap for First Nations communities. This AFB commits

to initial investments of \$2.98 billion in education infrastructure and \$13.86 billion to build and repair housing, water and wastewater systems, roads, and other community space (see *First Nations* chapter).

Lack of or unreliable access to high-speed broadband internet negatively affects many aspects of life, such as staying connected with friends and family, applying for jobs, doing homework, accessing government services, and accessing education and health care (see below). Currently, only 45.6% of rural communities<sup>79</sup> and 31.3% of First Nations households<sup>80</sup> across Canada have access to high-speed broadband internet. Budget 2021 included \$1 billion to improve high-speed communications in rural and remote areas across Canada, bringing the total committed to \$2.75 billion by 2026. This AFB includes \$500 million to ensure that First Nations have access to broadband internet (see also *First Nations chapter*).

Efforts to improve access to high-speed broadband internet service must be anchored in a digital equity perspective, which “seeks to ensure that everyone—especially groups who are historically underserved or underrepresented—has the information technology capacity needed for civic and cultural participation, employment, lifelong learning, and access to essential services.”<sup>81</sup> Such a perspective recognizes that the digital divide is about equity, not just infrastructure.<sup>82</sup>

**Quality of the natural environment.** The relationship between human health and the ecosystems of which we are part is profound and intricate. The ultimate determinant of human health (and that of other species) is the health of the earth’s life-supporting systems. The ecosystem-based ‘goods and services’ that we get from nature are the ecological determinants of health: these include oxygen, water, food, various natural resources, biodiversity, and a stable and habitable climate.<sup>83</sup>

Changes to ecosystem functioning are driven by human forces, including population growth and urbanization (hastened by intense lobbying by developers); a myopic focus on economic growth and development as indicators of how well a society is doing; technological advances; and social changes and movements aligned with these forces, including the steady erosion of government regulations across public policy domains, which has been described as “a disaster in the making.”<sup>84</sup>

Significantly, the impact of climate change and broader ecosystem destruction is not experienced equally or fairly—it is mediated by environmental racism, ableism and discrimination:

Across Canada, toxic dumps, polluting projects, risky pipelines, and tainted drinking water disproportionately hurt Indigenous, Black, and racialized communities.<sup>85</sup>

Efforts to preserve and protect biodiversity and improve the quality of the natural environment must stem from an environmental justice perspective, which foregrounds social justice, human rights, and health equity.<sup>86</sup> This AFB advances proposals to mitigate climate change and prevent broader ecosystem collapse, steward a just transition and create a more sustainable and equitable future (see *Physical Infrastructure chapter*). It also sets in motion a process to ensure that there are national standards for climate emergency preparedness and response, informed by and focused on impacts on people with disabilities, who are more likely to be left behind in a climate emergency and risk being denied care during emergency situations—a violation of human rights.

**Health care.** Universal access to high-quality publicly funded health care is a basic human right and a key component of the quality of “daily living conditions,” as per the CSDH framework used to structure this chapter.

Canada’s history of universal health care<sup>87</sup> is both rich and problematic. Under the *Canada Health Act* of 1984, in order for health services delivered by provinces and territories to receive financial support from the federal government, they must satisfy laudable conditions of public administration, comprehensiveness, universality, portability, and accessibility.

However, notions of “universal” have historically had firm and, in some cases, explicit boundaries.<sup>88</sup> The original vision of the *Canada Health Act*, which included a comprehensive set of public universal services, remains unrealized, and considerable inequities in access to and use of health services persist. While it is important to recognize the rich political and policy history that led to our current health care system, one must do so with a critical gaze anchored in known historical and ongoing causes of inequities of power and privilege.

In this AFB, we organize health care-related proposals into two sections: i) proposals to address the ongoing pandemic and other emergencies as well as the backlog in services they create and ii) proposals to strengthen the health care system so that it is better equipped to support all residents of Canada,<sup>89</sup> including during the next pandemic.

## Addressing the pandemic, its backlog, and other ongoing emergencies

Regardless of the future of the COVID-19 pandemic, the Canadian health care system can anticipate significant costs to address the massive backlog in non-COVID-related ailments: at least 15 months' worth of medical procedures, including surgeries, have been postponed during lockdown periods, prompting concerns about hospital overcapacity.

**Address the backlog.** There is a strong need for robust pandemic management, including the ongoing vaccine rollout, reliable PPE supplies, and workplace protections for health care workers. Knowledge that COVID-19 is transmissible via airborne mechanisms means that hospitals, health care settings, schools, and many other public buildings must be upgraded for better ventilation. In Budget 2021, the federal government proposed \$4 billion through a one-time top-up to the Canada Health Transfer,<sup>90</sup> which will begin helping provincial and territorial health care systems recover and clear the backlogs.

**Adapt to equity-oriented virtual care.** In partial response to the reality of ongoing health care needs during the pandemic, much of Canada's health care system has gone virtual. Yet the rapidity of this shift raises questions around the quality and equity of virtual care and digital health products as well as concerns about the creeping privatization of Canada's public health care system.

While most virtual care is currently delivered by telephone,<sup>91</sup> increasing the availability of broadband internet in rural and remote areas (see above and *Physical Infrastructure* chapter) can improve access to a wider range of health services.<sup>92</sup> This must be anchored in an approach that recognizes challenges to digital equity such as poverty; a lack of engagement with digital platforms; barriers to digital health literacy; a lack of culturally relevant content, language appropriateness, and collaborative development; and failure to achieve community-centred development that attends to the social determinants of health.<sup>93</sup> A comprehensive digital health equity framework recognizes that the creation of digital health interventions without attention to these social and structural determinants of health will further increase inequities.

With respect to health care, above and beyond the Liberal government's platform promise of \$400 million over 4 years to support the growing demand for virtual care, **the AFB will commit \$100 million over three years to ensure:**

1. Health Canada and Canada Health Infoway develop national standards for virtual care that follow the principles specified in



the Canada Health Act in order to facilitate access to high-quality and timely care across Canada, cross-jurisdictional information exchange,<sup>94</sup> and evaluation of health system performance; and

2. Health Canada, in collaboration with provinces and territories, supports the development of regulations and governance capacity to encompass issues including strategic innovation, safety, quality, equity, marketing of digital health products, and regulation across jurisdictions.

The development of standards and government expertise are important to guide current and future infrastructure spending, health system reform, and sustainability.

**Tackle the opioid death crisis.** The COVID-19 pandemic has worsened the urgent opioid crisis, with many communities across Canada reporting record numbers of opioid-related deaths, emergency calls, and hospitalizations.<sup>95</sup> As overdose deaths continue to climb across Canada, this issue must be made an immediate national priority to ensure that access to life-saving services and policies is not contingent on provincial politics.

This AFB will ensure that commitments outlined in the 2021 Liberal platform are fully realized; these include the introduction of a comprehensive strategy to end the opioids crisis; public education activities to reduce stigma; support to provinces and territories to provide access to a full range of treatments including harm reduction, including standards for treatment programs; and reforming the Criminal Code to repeal relevant mandatory minimum penalties and take action to divert individuals out of the criminal justice system. This is another area in which the leadership and participation of impacted communities is essential to success.

## Proposals to strengthen the health care system post-pandemic

COVID-19 did not have to be this bad. This is worth repeating. COVID-19 did not have to be this bad. COVID-19 was a perfect storm.<sup>96</sup>

The COVID-19 pandemic has laid bare the inadequacies of our health care system. Yet these inadequacies and our knowledge of them are not new.<sup>97</sup> Inspired by the quotation above, we divide this section into proposals to strengthen the overall vision and governance of health care which cross-cut the system, followed by proposals that address more specific gaps in care and insured services.

## Strengthening governance with cross-cutting proposals

**Eliminate systemic racism, stigma, and discrimination across the health care system.** Stigma and discrimination on the basis of characteristics such as race, ethnicity, Indigeneity, gender and sexuality, age, income, body size, disabilities, and health conditions (e.g., mental illness, substance use issues, and HIV) are associated with poorer physical and mental health outcomes.<sup>98</sup> In addition to the Liberals' platform commitment to a renewed Anti-Racism strategy, and **informed by the 2019 Chief Public Health Officer's report, this AFB will commit \$75 million to fund a co-ordinated national initiative to address stigma and discrimination across all elements of the health care system** (see also "decolonize health care," below).

**Protect our public system, uphold principles of universality, oppose privatization, and strengthen primary care.** Most residents of Canada share a deeply held belief that access to health care should be based on need, not one's ability to pay. But our public health care system is under threat from increased privatization, with examples of for-profit medical clinics billing patients for services that should be covered by public health insurance. Privately financed health services take medical staff and resources away from the public system, which results in longer wait times for a majority of patients. Health inequities are exacerbated as the well-off jump to the front of the line for care.

**This AFB will strengthen our public system and support a more robust leadership role for the federal government in health care by**

1. Increasing, over a 3-year period, the Canada Health Transfer to cover 35% of total provincial health care costs;
2. Enforcing provincial/territorial adherence to the principles of the *Canada Health Act* by withholding some or all of the transfer funds when principles are violated (e.g., when provinces enable extra billing for publicly insured services, as promised in the Liberal platform); and
3. Mobilizing public support by tapping into people's deep attachments to our public health care system through ongoing public education and promotion.

This AFB addresses inequities in access to health care. For instance, immigration status is a barrier to access to health care in Canada, which disproportionately affects newcomer communities who are often racialized. **This AFB commits to passing pertinent legislation to ensure that, by increasing federal contributions to the Canada Health**

**Transfer, universal health care coverage is extended to all persons regardless of immigration status** and that this is enforced.

Our health care system is largely focused on tertiary care; that is, specialized medical care for patients in the hospital. Primary care (which aims to embrace a continuum of needs from disease prevention and health promotion to treatment, rehabilitation, and palliative care) represents an important buffer between social determinants of health and downstream tertiary care and offers a way to link the health care system with social realities on the ground. As part of strengthening federal leadership in health care, this AFB supports a commitment to strengthening the role and capacity of primary health care within the system. In addition to primary care physicians and nurses, this could include exploring ways to strengthen the role of community-based professionals in social work, home care, and rehabilitation.

**Recognize and support a substantial role for communities.** Global research evidence from the COVID-19 crisis shows that commitment to and investment in meaningful relationships with communities, built on trust and decision-making across sectors, are core components of health equity strategies.<sup>99</sup> But community contributions are not a formal part of our systems. From Vaccine Hunters Canada to the South Asian Health Network and beyond, voluntary and social sector organizations have stepped up to meet communities' needs, often without any new or sustained long-term funding.

Canada must recognize, systematize and fund these nimble, community-led contributions as essential backstops to broader work in public health, health care, and the social determinants of health. **This AFB will begin by investing \$500 million a year to cover the operating costs of 250 new community health centres (with associated funding standards and accountability mechanisms) as a comprehensive approach to neighbourhood well-being across the country.** There are important historical precedents for this proposal in Canada,<sup>100</sup> which is consistent with those noted elsewhere in this AFB that call for community sector investment and stabilization (see *Social Infrastructure* chapter).

Moving people from expensive acute care services to more preventive and affordable upstream care should be a core goal of our health system. In addition to a stronger primary care buffer, a proven tool for this task is social prescribing, a “whole person” approach that connects Canada’s fragmented health and social services by referring people to a range of local, non-clinical supports and services to improve their health and well-being. Social prescribing, which includes volunteering and caregiver supports to food access and cooking classes,<sup>101</sup> provides a way to address

social needs from food to loneliness, build equity into health care, and facilitate tracking of the health and health system impact of interventions that target social determinants of health.

There are many local and pilot social prescribing initiatives in Canada,<sup>102</sup> but they remain disconnected. Canada is ready for a systems-level intervention that rapidly scales the best practices from local initiatives underway across the country and hires link workers (non-health or social care professionals based in primary care practices and/or community or voluntary organizations who support access to a range of community-based resources and supports<sup>103</sup>) to provide the fastest possible uptake. This follows the UK model, in which 1,000 social prescribing link workers were hired nationally in under three years. **This AFB will invest \$100 million a year to hire 1,000 social prescribing navigators to link services in regions across the country.**

**Strengthen public health.** Public health is defined as the art and science of preventing disease, prolonging life, and promoting health through the organized efforts of society.<sup>104</sup> Public health differs from other areas of medicine and health care in its focus on populations, primary prevention, and health promotion (along with other activities such as surveillance and health protection), and its intersectoral orientation to addressing upstream social determinants of well-being and health equity.

Although the COVID-19 pandemic brought public health to the forefront, it perpetuates a narrow version characterized by communicable disease control led by the health care system.<sup>105</sup> Adequate resources must be devoted to sustainably strengthen a broader version of public health that includes its full breadth of activities, many of which were sidelined during the pandemic response due to inadequate resourcing. The future of public health requires integrating local health and social systems with a bold vision dedicated to the social determinants of health.

The AFB will invest in a public health infrastructure with the necessary human resources and broader capacity to fulfil this mandate. Specifically, **this AFB will commit \$5 million toward the development of a legal, regulatory, and financial framework for public health, in consultation with provincial, territorial and Indigenous governments.**<sup>106</sup>

The purpose of this legal and regulatory package, which could include the development of a federal *Public Health Act*, is to provide a national framework of public health functions and activities. It could improve the coherence of the public health communities and activities by clarifying and strengthening relationships between different actors at national (e.g., PHAC, CIHR-IPPH, CPHA), provincial (INSPQ, PHO, CDC, other provincial entities), and local (local health authorities, communities) levels, as well

as a more co-ordinated response to emergencies such as, but not limited to, COVID-19. It will ensure that curricular standards for post-secondary programs in public health (e.g., Master of Public Health) align with the breadth of public health by equally prioritizing diverse theoretical and methodological approaches.

The development of the public health framework will consider alternative pathways to becoming a Public Health Officer in Canada (this name would replace Medical Officer across the country) other than through medicine, informed by practices elsewhere.<sup>107</sup> This will help shift public health upstream from the medical paradigm. In the resulting legislation, Public Health Officers will have statutory independence, in jurisdictions where they do not currently have this right, to speak publicly on vital issues like pandemic preparedness and the upstream causes of social inequities in health without fear of political interference or retribution.

This public health framework will be accompanied by a resource envelope to support its implementation. In 2019, 5.7% of total health care spending was allocated to public health activities,<sup>108</sup> and the percentage was much lower in some provinces. **Under this AFB, the proportion of health care funds allocated to public health activities** (to be defined as part of the development process to ensure alignment with the unique elements of public health noted above) **would steadily increase year-by-year to reach 10% of health care spending by 2024/25** (in some provinces, this would more than triple the current proportional spending). Such an increase, anchored in an equity lens, would strengthen under-resourced activities such as preventive dental health activities and surge capacity.

**Decolonize Indigenous health care.** Institutional racism in the health care system is so severe that Indigenous Peoples strategically avoid public hospitals when possible.

In January 2021, prompted by the racist treatment and death of Joyce Echaquan of the Atikamekw Nation in a Quebec hospital in September 2020, the federal government held two days of meetings on developing Indigenous health care legislation; and in their 2021 platform, the federal Liberals promised to fully implement Joyce's Principle and to ensure that it guides the co-development of Indigenous Health legislation. If this legislation materializes, it will be a first in Canadian history: this country has never developed a law around Indigenous health care.<sup>109</sup> **This AFB includes a commitment to develop and implement legislation around distinctions-based First Nations, Inuit, and Métis health care led and informed by Indigenous Peoples who know their own needs best.** This

will include urban Indigenous communities, through partnerships with friendship centres and other Indigenous-led groups and organizations.

**Strengthening and protecting the health workforce.** Nurses, personal support workers, doctors, emergency intake workers, janitors, public health practitioners—this is merely a sample of the health care and public health workforce that was kicked into gear under great duress upon the arrival of COVID-19. They have put their lives at risk and worked tirelessly (sometimes without proper PPE and workplace protections) in the service of human life and health.

In many cases, health workers have been overworked and under-resourced. Some have left the profession, wracked by the stress and anxiety of doing their job in the middle of a global pandemic without adequate support and protection.<sup>110</sup> **This AFB invests in major improvements to working conditions, job security, and compensation of health care workers. This will take the form of an ongoing version of the essential worker's wage top up, shared 75%:25% between federal and provincial governments (\$3 billion federal dollars committed in 2022/23, 2023/24, and 2024/25). Commitment to job security will be built in as a condition of the federal contributions.**

This AFB supports strong federal leadership in a health care workforce strategy, underpinned by an equity approach which recognizes that *more* (e.g., more staff, more money) is not necessarily better unless it is equity-focused. Health care workers are overwhelmingly women, newcomers to Canada, and racialized; these workers carry a double burden because their own communities are disproportionately at risk due to the pandemic. Over 80% of health care workers in Canada are women.<sup>111</sup> Feminization of the labour force has contributed to the devaluing of the labour. The AFB commits to valorizing women's work (see *Social Infrastructure* chapter).

**This AFB also commits \$90 million over three years to establish a federal agency dedicated to health care workers' occupational health and safety** to implement an inclusive national health workforce strategy that ensures all health workers receive the support, resources, and protection that they deserve on the job. Health care workers' voices will be centred in this strategy, which will include national human resources planning and education (e.g., HR demand and supply modelling, federal-provincial training and education agreements) and improved wages for low-income health care workers.

### **Addressing core gaps in public health care services**

Beyond cross-cutting proposals for equity in health care, this AFB recognizes that significant, and more specific, gaps in our public,

universal health care system persist. This AFB commits to significant advances in seniors' care, including long-term care and home care support (to support people staying in their homes longer); dental care; pharmacare; and mental health. In doing so, this AFB aims to complete the original *Canada Health Act* vision of a comprehensive universal public health care system.

**Seniors' care.** The COVID-19 pandemic has exposed long-standing systemic problems in the long-term care sector, including profound negative effects for older adults, their families, and workers.<sup>112</sup> A major problem with the long-term care landscape, made painfully clear by the pandemic, is the drawbacks of private, for-profit models. This AFB will transform seniors' care by introducing a National Seniors' Care Strategy to ensure consistent funding, standards of care, and staffing levels in nursing homes, community and home care programs (via the Canada Health Transfer, see *Social Infrastructure* chapter). It also emphasizes the need for movement toward deinstitutionalization and greater investments and improvements in both home and palliative care services for seniors and people with disabilities.

**Dental care.** According to data from Statistics Canada, over 30% of Canadians have no dental insurance, and many decline dental care, in full or in part, due to cost.<sup>113</sup> The lack of access to dental care costs the health care system, downstream, later on. **This AFB will commit \$10 million toward an advisory council, through the House of Commons Standing Committee on Health (HESA), to conduct an economic and social assessment of domestic and international public dental care programs and to recommend options for universal public coverage of dental care in Canada. This will include developing federal policy and leadership for provincial standards around dental care.**

**Pharmacare.** Canada is the only developed country with a universal health care system that does not include prescription drug coverage. By introducing universal public coverage of medically necessary prescription drugs, Canada could save an estimated \$7.3 billion annually.<sup>114</sup> Prescription drug coverage varies significantly from person to person and from province to province. Many people die prematurely or suffer needlessly because cost is a barrier to accessing prescription drugs. **This AFB will implement a national pharmacare program as recommended in the 2019 Final Report of the Advisory Council on the Implementation of National Pharmacare, *A Prescription for Canada: Achieving Pharmacare for All*.**

First, this AFB will accelerate the development of an essential medicines decision framework, as well as list and establish the national

drug agency. In 2019, the federal government committed \$35 million over four years to establish a Canada Drug Agency, but progress has been slow.<sup>115</sup> **In this AFB, the \$10 million per year already committed through 2022-23 will continue in 2023-24 and 2024-25.** This will help accelerate the process of establishing the agency and provide long-term, sustainable funding for harmonization with provincial/territorial bodies and ongoing operational costs.

Second, **this AFB will determine and announce a firm timeline for the transition to a Canada Drug Agency and a commitment to fund the expected initial cost of providing residents of Canada with universal prescription drug coverage (\$4-10 billion depending on the size of the essential medicines list).** This will include:

1. Setting anticipated timelines for the initial funding of universal prescription drug coverage to allow people in Canada, drug manufacturers, employers, and the insurance industry time to adjust; and
2. Delivering federal contributions to pharmacare through a new transfer that is “separate and distinct” from the Canada Health Transfer.

This will facilitate transparency and avoid implementation delays while federal-provincial-territorial discussions continue over federal contributions to funding for existing core components of medicare.<sup>116</sup>

**Mental health.** Results of the 2018 Canadian Community Health Survey showed that more than five million people in Canada needed some help for their mental health during the previous year and almost half felt that their needs were at least partially unmet. Among residents of Canada, the percentage with unmet needs was higher (around 60%) for those without a regular health care provider.<sup>117</sup> Based on 2019-20 data, half of those who need ongoing counselling services in the community wait up to a month for those services, while one in 10 wait more than four months.<sup>118</sup>

The significance of mental health has been illuminated and exacerbated by the COVID-19 pandemic. Youth in particular have been deeply impacted by the disruption of their education routines and restrictions to social and physical activities.<sup>119</sup> Women have also been significantly affected. A recent survey from Oxfam Canada found that 70% of women reported poorer mental health (i.e., increased levels of stress, anxiety and depression) since the start of the pandemic due to unpaid care work.<sup>120</sup>



Mental health outcomes have deteriorated for marginalized populations across Canada, and the link between structural and systemic inequities and mental well-being has never been clearer. Racialized and low-income populations in Canada report increased challenges coping and meeting financial obligations and other essential needs.<sup>121</sup> Incarcerated populations, unhoused people or people living with precarious housing, and migrant workers (the majority of whom are Black, Indigenous and racialized people) are experiencing even worse access to mental health and substance use supports.<sup>122</sup> These inequitable impacts, coupled with the overall languishing of mental well-being across Canada will require significant long-term investments in a complementary mental health-in-all-policies approach.

A national strategy for mental health, consistent with *Canada Health Act* principles through a social determinants of health lens, is desperately needed.<sup>123</sup> **This AFB aligns with the Canadian Mental Health Association and partner organizations to commit to a new social contract for a mentally healthy Canada**, which recognizes that we have a responsibility to care for one another and that our governments are the key institutions through which that responsibility is actioned. The contract will focus on mental wellness and resiliency along with mental health problems and—consistent with proposals elsewhere in this AFB—will include attention to psychological health and safety in the workplace, a comprehensive public health approach to substance use policy, the well-being and safety of children, and the elimination of chronic homelessness and poverty.<sup>124</sup>

This AFB will ensure that commitments to implementing a comprehensive plan for mental health care, including a new Canada Mental Health Transfer initially valued at \$4.5 billion over 5 years announced in the 2021 Liberal platform, are fully realized.

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## Tackle the inequitable distribution of power, money, and resources

The second overarching recommendation to improve health equity, according to the 2008 WHO Commission on Social Determinants of Health, recognizes that

Inequity in the conditions of daily living is shaped by deeper social structures and processes. The inequity is systematic, produced by social norms, *policies, and practices that tolerate or actually promote unfair*

*distribution* of and access to power, wealth, and other necessary social resources. [emphasis added]<sup>125</sup>

In public health, and in the health system more generally, there is a dominant tendency—even when inequality is recognized—to focus on the downstream consequences of inequality rather than tackling their upstream, structural, extremely entrenched, and often invisible determinants.<sup>126</sup> To redress this perpetual downstream drift toward creating the conditions for health and well-being for all, the AFB identifies a range of budgetary proposals to tackle the roots of inequities in power, money, and resources.

Income and wealth inequality in Canada are significant, and wealth inequality in particular has reached new heights over the past few decades.<sup>127</sup> This has resulted in deepening poverty in one of the richest nations in the world, more entrenched colour-coded inequalities in the labour market, and middle-class anxiety about future prospects. For decades, Canadian governments at all levels have implemented neoliberal policies that entrench income inequality while reducing income, social, and public service support for the rest of us. This only serves to fulfil a tax cut agenda that disproportionately benefits the well-off while depriving public fiscal coffers of the revenue needed to mitigate, reduce, and ultimately eliminate income inequality. A highly unequal society erodes cohesion, trust, innovation and productivity, and it creates health and social problems for everyone, even the rich.<sup>128</sup>

This AFB commits to tax reform, including the implementation of a wealth tax, higher corporate taxes, and the removal of tax loopholes that disproportionately benefit those who are already wealthy, to ensure a fair way to pay for the services and infrastructure that benefit all (see *Taxation* chapter);

Some of the most egregious health inequities in Canada are those between Indigenous and non-Indigenous populations.<sup>129</sup> These may only be addressed through genuine and unwavering commitment to robust and inclusive dialogue with First Nations, Inuit, and Métis communities in all processes related to those communities, and by substantively honouring the legislative commitment to the rights expressed in the UN Declaration by embarking on the preparation and implementation of an action plan—in consultation and cooperation with Indigenous Peoples—that includes measures to “address injustices, combat prejudice and eliminate all forms of violence, racism and discrimination” that they experience.

This AFB invests \$2.3 billion in economic recovery for First Nations, which will help ensure a more prosperous, inclusive, and sustainable future for all; eradicate poverty; and ensure that First Nations are leaders in Canada's transition to a green economy. This AFB also invests \$3.5 billion to support improved financial, administrative, and political governance for First Nations (see *First Nations* chapter).

A just transition to energy democracy is urgent and imperative. While technically feasible, such a transition is blocked by the organization of economic power in the form of fossil capitalism, which extends into political and cultural life in multiple and complex ways.<sup>130</sup>

This AFB commits to taking aggressive action to decarbonize the economy by regulating industry, enforcing violations, and immediately ceasing public funds to polluting industries (see *Physical Infrastructure* chapter).

What has been called a "40-year uncontrolled experiment in neoliberal economics" has created at least four major trends with significant negative implications for well-being and health equity: the deregulation of global finance (i.e., blurring the lines between commercial and investment banking); the global promotion of structural adjustment and austerity (including by the International Monetary Fund); an erosion of progressive taxation by national governments; and structural changes to the global labour market.<sup>131</sup>

This AFB commits to negotiating international trade relations so that they address inequality and ecosystem destruction (see *International* chapter).

Inequities in health opportunities and outcomes reflect inequities or lack of diversity in who is making decisions, which is evident in the leadership of public and private sectors, including health-related post-secondary education and training.<sup>132</sup>

Building on the Liberal platform announcement to create a Diversity Fellowship in the Public Service, **this AFB commits to developing and implementing a multi-pronged approach to ensure a diversity of voices at decision-making tables, including the full participation of impacted communities.** This must include intentional and active efforts in inclusive hiring processes for staff across different types of governing bodies and decision-making spaces and stakeholder mapping to ensure that even radical/grassroots voices are included and compensated for their time. Overall, representation cannot follow tokenistic approaches.

These proposals are highly compatible with the well-being governance framework proposal with which we opened the chapter. It is impossible

to overstate the importance of these proposals for well-being and health equity. In that sense, the brevity of this section belies its significance.

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## Measure and understand the problem and assess the impact of action

In their third and final overarching recommendation, the 2008 WHO Commission on Social Determinants of Health recognized:

The world is changing [quickly] and often it is unclear the impact that social, economic, and political change will have on health in general and on health inequities...in particular. Action on the social determinants of health will be more effective if *basic data systems, including vital registration and routine monitoring of health inequity and the social determinants of health*, are in place and there are mechanisms to ensure that the data can be understood and applied to develop more effective policies, systems, and programmes. *Education and training in social determinants of health* are vital [emphasis added].<sup>133</sup>

The COVID-19 pandemic has revealed serious data deficiencies, including inadequate systems and mechanisms to ensure the timely collection, sharing, and use of equity-focused data. The insufficient extent to which data is shared between the federal government and public health partners varies across the country and is devastating during a pandemic.<sup>134</sup> We lack a national infrastructure for the timely collection and reporting of data on local public health activities, workers, and outcomes in a way that centres health equity.

Data situated in the context of the lived experience of inequities informs policy decisions to reduce pandemic health inequities and outcomes. Indicators and equity prompts during the collection, recording, assessment, and sharing of data pointing to inequities are necessary to support equity-informed decision making. A comprehensive health indicators framework for collecting, analyzing, and communicating health equity data, as part of ongoing population health status reporting, is essential to identify areas for action to reduce population health inequities.<sup>135</sup>

**This AFB commits \$40 million to the development and implementation of a health equity data infrastructure platform co-led by Statistics Canada and the First Nations Information Governance Centre (FNIGC) in partnership with CIHI, PHAC, Health Canada, CIHR, and communities.** The national infrastructure will support and

legislate collection (underpinned by principles of safe data collection<sup>136</sup>), reporting, and presenting stratified data to examine the intersections of the social determinants of health and opportunities to mitigate inequities.<sup>137</sup> It will also privilege capacity for live, equity-focused data in a crisis. This support will include funds dedicated to enhancing organizational capacities of public health organizations, primary care organizations, and other governing bodies to meet a mandate for health equity reporting, which requires health equity to be embedded in the culture of their work.<sup>138</sup>

**This commitment includes \$20 million toward a national public health observatory that can provide comparable, ongoing, local, and equity-focused public health capacity and outcome data to provincial and federal governments.** Such a resource is currently lacking due, in part, to the complexity of public health structures across Canada.<sup>139</sup>

The health equity data infrastructure platform will permit monitoring and evaluation of public policy decisions across government ministries as they relate to well-being and health equity; that is, a *health-in-all-policies* orientation. It will also permit transparent recognition of government promises that remain unfulfilled and provide a platform for citizen advocacy. This includes collecting data on the impacts of medical assistance in dying legislation, particularly as it impacts racialized, Indigenous, and disabled people. Overall, this platform will constitute an important accountability mechanism for the overarching well-being governance proposal described at the beginning of this chapter.

To address health equity, every future member of the health care, social care, and public health workforce must have a deep understanding of the social and ecological determinants of health and the ability to apply that knowledge. **This AFB will devote \$1 million to fund the development of enhanced curricula on social determinants of health for all health and social services practitioners to be implemented by post-secondary institutions in collaboration with professional colleges and associations.** The curricula would include practical experiences in marginalized communities and training on cultural safety, ableism and health workers' roles in dismantling these barriers, effective advocacy regarding social determinants of health, narrative approaches to hearing and understanding complex stories of social and historical marginalization, and the development and implementation of team approaches in health and social care settings to directly address social determinants of health.<sup>140</sup>

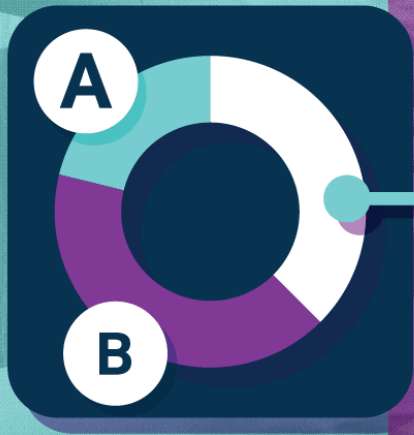
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## Conclusion

Following the Keynesian Consensus of the post-WWII era and the neoliberal era ushered in during the 1980s, this chapter looks toward a new economic paradigm<sup>141</sup> that supports and is anchored in the goal of achieving health equity through an orientation to public policy that makes the well-being of people and the planet central to governments' focal points. This chapter begins and ends on the premise that Canada can do better to provide high-quality, affordable, and publicly funded health care for all, but that is not enough. We must take advantage of this momentous opportunity to propose strategic investments in a cross-cutting range of areas to improve the social determinants of health and ensure health equity. Combined with the other chapters in this AFB, this section provides a road map that would position Canada for an equity-based response to health emergencies, such as the COVID-19 pandemic and ecosystem devastation from climate change, by promoting and supporting community well-being rather than solely focusing on treating people once they are already ill. Our road map is the antithesis of the 'business as usual' approach, which has ignored the social determinants of health for far too long at great expense.

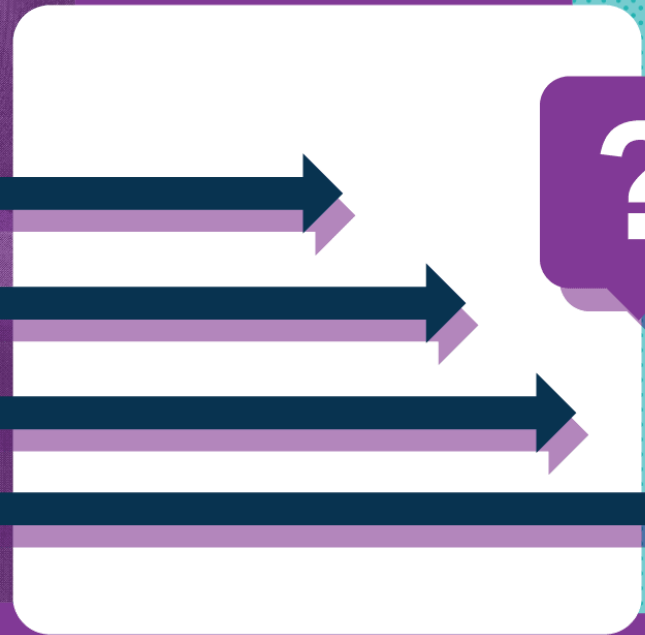
**Table 3.1 Costing of health equity items (\$mil)**

<b>Health equity</b>	<b>2022-23</b>	<b>2023-24</b>	<b>2024-25</b>
<b>Health care</b>			
Framework for governance based on policy impact quality of life, health and sustainability of the planet	2.7	2.7	2.7
National inquiry on COVID-19 and health equity.	3	3	0
Create Canada Sickness Benefit (10 paid sick days per year for all workers)	750	750	750
Develop national standards for virtual care	33	33	33
National response to the ongoing drug opioid poisoning and overdose crisis	255	255	5
National initiative to address stigma and discrimination in health care	45	30	0
Boost Canada Health Transfers to cover 35% of total provincial health care costs	6,812	13,625	20,437
Invest in Community Health Centres	500	500	500
Hire 1,000 social prescribing navigators	100	100	100
Development of a Canadian Public Health Act	5	0	0
Renew the Essential Worker's Wage Top up	3,000	3,000	3,000
Create a federal agency for occupational health and safety of health care workers	10	30	50
Conduct an assessment of domestic and international public dental care programs	10	0	0
Implement a national pharmacare program	10,203	10,582	10,978
Continue development of an essential medicines decision framework	0	10	10
Fund a national mental health strategy	250	625	625
Create a health equity data infrastructure platform	20	20	0
Develop curricula in social determinants of health	1	0	0



*Me*

**END  
SYSTEMIC  
RACISM**



## Chapter four

# A vision for inclusion and well-being

To be a champion of human rights abroad,  
Canada must live by its words at home.



**INDIGENOUS COMMUNITIES**, communities of African descent, and other communities of colour have historically been excluded from the economic, social, and cultural rights afforded to all other residents (see *First Nations chapter*). Structural racism is deeply rooted in Canada's ongoing settler-colonialism: the history of enslavement of African peoples, internment camps for Japanese-Canadians during the Second World War, the use of Asian (Chinese) workers as cheap labour followed by the exclusion of Chinese immigrants, the *Continuous Journey Regulation*, and immigration regulations that were aimed at denying South Asian migrants—all excluded immigrants based on race early in our nation's history. Structural racism is also rooted in the intergenerational effects of colonialism, capitalism, and imperialism (and, relatedly, climate emergencies), affecting recent and current waves of international migration. The effects of structural racism are demonstrated in income inequality, the over-policing and incarceration of Indigenous and Black peoples, and profound inequities in education, health outcomes, employment, and life chances (see *Health Equity chapter*). Structural racism continues to disproportionately disadvantage Indigenous, Black, racialized, and migrant communities in Canada.

While the federal government has pursued feminist budgeting and the GBA+ framework, racial equity was not clearly stated in the previous budget or government policy announcements. As a result, racialized residents are often excluded from measures intended to benefit everyone, as demonstrated by disproportionate levels of racialized poverty and racial inequities in fundamental areas such as housing, health, education, and more.

Immigration is a cornerstone of Canada's domestic and foreign policy. Welcoming newcomers to Canada contributes to the growth of our economy, supports our international obligations to refugees from across the world, and furthers our commitment to family reunification for loved ones in Canada.

Unfortunately, the government does not recognize the many ways in which national economic gains from immigration are not evenly shared and frequently rest on egregious systemic racism, discrimination and human rights violations, which particularly impact migrant workers, and refugee communities. For example, racialized communities represent a large and growing population of immigrants to Canada, but changes to immigration law and policy continue to erect barriers to full inclusion in this country.

Through their brave organizing, migrant workers won a modest victory this year when the federal government announced permanent residency would be available for up to 90,000 temporary foreign workers and international students. The federal government announced a temporary measure to make permanent residency available to certain migrant workers and international students. But it came with restrictions that made it inaccessible for most migrant workers in low-wage jobs—the very migrant workers who are working on the frontlines to care for and feed Canadians. The policy also excludes half a million undocumented people who live and work in Canada without immigration status.

The reality is that even with the small increase in the permanent residency allowance for migrant workers and international students, systemic barriers remain intact. Family reunification is still limited by income criteria, caps, and slow processing times; pathways to citizenship are limited by fees and difficult testing requirements. The Safe Third Country Agreement with the United States excludes a vast majority of refugee claimants and puts their lives at risk as they seek to enter Canada in search of safety.

As a self-proclaimed champion of human rights and economic opportunity abroad, Canada must live by its words at home as well.

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## National action plan against racism

This AFB will fund efforts to address racism and create a national action plan against racism, with concrete strategies with actionable goals, measurable targets, and timetables. Specifically, it will:

- Continue funding for the federal Anti-Racism Secretariat and remove it from the Department of Canadian Heritage;
- Increase funding by 50% for the Canadian Human Rights Commission to address racism and systemic racism;

- Undertake an intersectional socio-economic review of all federal COVID-19 emergency measures through the following lenses: racialization, Indigeneity, gender and marginalized genders, sexual orientation, and ableism and work with the provinces to conduct similar reviews;
- Mandate the collection of data disaggregated by race and other socio-demographic identities across all government programs;
- Ensure the comprehensive implementation of an updated federal *Employment Equity Act* that dismantles racial and other inequities in promotion and retention as well as hiring (see *Employment and job creation*);
- Apply an equitable community benefits framework to all federal government investments and ensure contract compliance, including an explicit commitment to racial equity (see *Employment and job creation*).

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## Independent review of systemic racism within the RCMP

The 2021 federal budget announced \$75 million over five years and an ongoing \$13.5 million to the RCMP to combat systemic racism through new recruitment and training processes, community engagement, and other measures. It has been well established that the RCMP has not been effective at combating systemic racism. Providing significant funding to an organization that is not equipped to combat deep-rooted and structural racism (and does not have the trust of many of the communities with which it engages) would be an ineffective exercise.

**This AFB will redirect the remainder of the \$75 million over 5 years away from the RCMP to an independent review of systemic racism within the RCMP. This review will produce detailed recommendations to combat systemic racism, in recruitment, promotion, training, and engagement with the community. This AFB will also ensure that this independent review is community-led and engages Indigenous, Black, and racialized communities.**

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## A regularization program

Too many people continue to fall through the cracks of an unfair immigration and refugee system. People who have lived and worked

undocumented in Canada for many years are routinely denied fundamental rights and face discrimination on the basis of their immigration status. This has to change immediately.

Newcomers to Canada are increasingly being made non-status by a system that favours temporary immigration with limited and precarious rights over permanent immigration with full and secure rights. For example, people are waiting years for their refugee claims to be processed. Too many are then unjustly denied refugee status based on arbitrary policies such as designated safe country lists. Migrant workers are being fired from their job after workplace injuries or are otherwise pushed out and treated as disposable. Care workers are tied through their work permits to specific employers, creating the conditions for exploitation and abuse.

It is long past time to create an immigration system that treats all refugees and migrants with dignity and respect, not as disposable economic units. A first step must be the creation of a full regularization program for non-status refugees and migrants. This must be followed by ensuring all future migrants who are entering Canada are provided with full permanent immigration status in order to end the cycle of precarity and exploitation.

The federal government has introduced several pilot programs for immigration status regularization over the last few years. They have typically been limited to a small and highly restrictive category of applicants and included significant barriers that prevent or greatly reduce access. Meanwhile, hundreds of thousands of people without immigration status have no avenue to gain immigration status. **This AFB creates a regularization program to ensure all refugees and migrants can gain immigration status and have access to protections, dignity, and respect.**

Between 2011 and 2015, the federal government increased citizenship fees from \$100 to \$530 and added a new \$100 “right to citizenship” fee. Statistics Canada has since found that the citizenship rate has been falling, particularly among those who are low-income. **This AFB eliminates all citizenship fees (\$100 million a year).**

Minimum income requirements for potential sponsors of parents and grandparents and an annual cap on sponsorship have a disproportionately negative impact on racialized residents of Canada. Families from China and India are particularly disadvantaged by the inability to sponsor parents and grandparents. **This AFB eliminates the annual cap and minimum income requirements in the family sponsorship program.**

Regulations under the the *Immigration and Refugee Protection Act* (IRPA) impose a lifetime ban on the sponsorship of family members who were not named (“undeclared”) in the sponsorship application.<sup>142</sup> The provision has resulted in family separation as well as tremendous hardship for affected families. The federal government introduced a pilot project in July 2019 to address this barrier but only allowed access to refugees and sponsored immigrants. Many others, including those who may have come to Canada as migrant workers, are excluded. **The AFB repeals this punitive provision of the IRPA and expands the pilot project to sponsor undeclared family members and include all who were previously made inadmissible.**

Family class immigration accounts for less than 40% of the total immigration program, and Canada’s humanitarian intake is even smaller. The economic immigration program privileges applicants with high levels of skills and education. Meanwhile those who are destined for so-called low-skilled positions, which are also low-wage positions, are restricted to the migrant worker program. But that program does not permit permanent residency, leaving workers completely vulnerable to exploitation and abuse and separating them from their families for prolonged periods of time. **This AFB relaxes the family reunification program criteria and increases quotas. It also extends the economic immigration program to applicants in all occupations at all skill levels.**

Over the last decade, Immigration, Refugees and Citizenship Canada (IRCC) has interpreted Section 91 of the *Immigration and Refugee Protection Act* (IRPA) to bar non-profit organizations from providing free refugee- and immigration-related assistance to the people they serve. The original intention of this provision was to prevent unscrupulous individuals from exploiting and defrauding people for paid assistance on immigration matters.

Non-profits provide much needed free assistance, and they were not the intended target of Section 91. As a result of this shift, primarily low-income refugees and migrants who cannot afford to pay a lawyer or consultant for assistance are left without any support. A significant number are racialized migrants and women—people who are overrepresented in poverty statistics in Canada. Meanwhile, IRCC call centre employees routinely refer such callers to NGOs for assistance, clearly contradicting other IRCC employees’ actions.

**This AFB amends Section 91 of the *Immigration and Refugee Protection Act* and regulations to exempt non-profit organizations and their employees from sanctions for providing their clients with free immigration assistance. It grants non-profits access to all federally**

**funded settlement and integration services so that they can provide support to all who need it, regardless of immigration status.**

Federally funded settlement services are provided only to permanent residents and convention refugees. The services are free and provide basic but important information about rights and entitlements in employment, housing, services, health care, education, and more. A significant number of people who need access to settlement services do not qualify for them, particularly refugee claimants, migrant workers, international students and their families, and those who have gained Canadian citizenship but still have unmet settlement needs.

**This AFB increases the IRCC budget for settlement services by \$5 million a year to accommodate this important expansion.**

**Table 4.1 Costing of inclusion and well-being items (\$mil)**

<b>Inclusion and well-being</b>	<b>2022-23</b>	<b>2023-24</b>	<b>2024-25</b>
Continue funding for the federal Anti-Racism Secretariat	13	13	13
Increase funding by 50% for the Canadian Human Rights Commission to address racism	17	17.25	17.77
Mandate the federal government and provinces to undertake a racial, gender, sexual orientation, ableism, and social-economic intersectional review of all COVID-19 emergency measures	1	0	0
Cancel remaining funds for RCMP anti-racism funding	-15	-18	-15
Independent review of systemic racism within the RCMP	15	18	15
Support community organizations doing anti-Asian racism work at a grassroots level	11	11	11
<b><i>Immigration, refugees and citizenship</i></b>			
Eliminate all citizenship fees	75	100	100
Provide access to settlement and integration services to all regardless of immigration status	5	5	5



## Chapter five

# First Nations' well-being

Reflecting First Nations' concepts of well-being.



**A**S STATED BY the British Columbia Assembly of First Nations in its publication, *Centering First Nations Concepts of Wellbeing: Toward a GDP-Alternative Index in British Columbia*, Indigenous Peoples understand that the GDP is a “very narrow view of a good life” and “is false and is missing much of what makes life worthwhile, productive, joyful, and fulfilling. And we are not alone in this perspective.”<sup>143</sup> (see also *Health Equity* chapter).

Throughout the last year, First Nations governments have demonstrated an unwavering commitment to keeping their citizens safe from COVID-19 while advocating for better socio-economic outcomes. This AFB recognizes that Indigenous Peoples themselves are best placed to identify issues and work to design solutions in partnership with governments to improve their health and well-being. Any efforts to build back better must reflect First Nations’ concepts of well-being, which go beyond measuring and pursuing an increase to the GDP, to ensure that First Nations may sustainably drive economic growth and lead in Canada’s recovery efforts.

This section of the AFB lays out a five-point plan to ensure First Nations’ well-being, which was written by and for First Nations peoples.

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## **A five-point plan toward First Nations’ well-being**

### **Infrastructure**

Decades of chronic underfunding have created a \$30-billion gap in infrastructure for First Nations, which has exacerbated the threat of COVID-19. Initial investments of \$2.98 billion in education infrastructure and \$13.86 billion to build and repair housing, water and wastewater systems, roads, and other community space are required to safeguard First Nations’ well-being against future health and climate crises. Without adequate infrastructure, First Nations are simply not able to undertake essential public health measures like social distancing or hand washing.

**This AFB makes investments to close the infrastructure gap in First Nations communities across all asset categories.**

According to a 2015 report, public infrastructure spending generates economic activity and returns far in excess of the amount spent. It generates an estimated 9.4 jobs per million dollars spent. Moreover, 44 cents of each dollar spent on public infrastructure by federal and provincial governments are recovered in additional tax revenue.<sup>144</sup>

### **Connectivity**

First Nations continue to face barriers to innovation as a result of inequitable access to reliable, high-speed internet. COVID-19 has accelerated the transition to online services, and First Nations, particularly in remote and northern regions across Canada, remain without the basic infrastructure required to attend school, access health care services, and compete in Canada's increasingly digital economy. The Canadian Radio-television and Telecommunications Commission target for broadband is currently met for only 31.3% of First Nations households compared to 85.7% of other households in Canada.<sup>145</sup>

**This AFB invests \$500 million to ensure the reliable development, maintenance, and operation of broadband infrastructure, including in remote and northern regions.**

### **Economic development**

First Nations must be in a position to drive economic recovery to ensure a more prosperous, inclusive, and sustainable future for all residents of Canada. In 2016, 47% of First Nations peoples were under the age of 25 years, compared with 28% of the non-Indigenous population. The average age of the First Nations population was 30.6 years, compared with 41 years for the non-Indigenous population. The number of working age (25–64) First Nations people increased 18% between 2011 and 2016, whereas for the non-Indigenous population it increased by only 2%.<sup>146</sup>

**This AFB invests \$2.3 billion dollars to ensure that First Nations are leaders in Canada's green economic recovery.** That investment will support one of the fastest growing demographics in the country, it will contribute to building and sustaining a needed workforce, and it will help to eradicate poverty. Significantly, ensuring that First Nations are leaders in Canada's transition to a green economy will enhance Canada's ability to meet its climate commitments.

## Governance

Despite effective handling of the impact of COVID-19 by First Nations governments, their success remains predicated on support in the form of funds from the Canadian government. According to Daniel Wilson, special advisor, Assembly of First Nations, “Current funding for First Nation governance amounts to just over 3% of expenditures whereas most governmental organizations operate in the 10% to 15% range of expenditures. This is simply unsustainable for our governments.”<sup>147</sup> Supporting First Nations governments to design approaches based on First Nations’ priorities is essential to ensuring the success and well-being of First Nations peoples.

**This AFB commits \$3.5 billion to support improved financial, administrative, and political governance for First Nations.** This would allow First Nations to retain qualified staff, to ensure institutional development, and to increase First Nations governments’ service delivery for their citizens. This is the essential infrastructure needed to reduce inequality, to implement the other investments outlined in this chapter, and to provide a foundation for First Nations’ self-determination.

## Indigenous food sovereignty

The COVID-19 crisis has exacerbated food insecurity among Indigenous households and communities. Food insecurity was already prevalent in these communities: it was present in almost half of First Nations families even before COVID-19 struck. Lockdowns and road closures brought on by the pandemic have further threatened food supplies (especially imported food) and have underlined the fragility of the current approach to food acquisition.

The demand for culturally appropriate traditional/country foods is rising and has not been met. Such foods are essential to improving health, increasing connection to land and culture, and giving community members a sense of self-pride.

This AFB will support Indigenous food sovereignty in the following ways:

- Reforming Nutrition North Canada (NNC), including by increasing the land-based harvest supports to a minimum 25% of total NNC expenditures;
- Providing direct support to Indigenous-led and Indigenous-serving groups that are focused on Indigenous food systems by doubling the amount of spending on the Local Food Infrastructure Program;

- Helping communities to re-invigorate Indigenous food ways through a new Indigenous Food Ways Fund, which will support activities like community kitchens, gardening programs, greenhouses, hunter-support programs and goose camps, and other community-led infrastructure;
- Supporting, with a new \$15 million fund over three years, Indigenous-led cooperative and other non-profit-motivated grocery stores as well as other traditional/country food and supplies.

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## Conclusion

Indigenous Peoples are best placed to identify and develop ways to improve their health and well-being. Written by and for First Nations Peoples, this AFB section proposes a five-point plan to do so, through funds devoted to strengthening Infrastructure, Connectivity, Economic Development, Governance, and Indigenous Food Sovereignty.

**Table 5.1 Costing of First Nations' well-being items (\$mil)**

First Nations' well-being	2022-23	2023-24	2024-25
<i>Investments to close infrastructure gap in First Nations across all asset categories</i>			
Ensure FN have broadband connection	500	500	500
Ensure FN are leaders in Canada's green economic recovery	2,300	2,300	2,300
Funding to support FN governance	3,500	3,500	3,500
Initiate Nutrition North Canada reform	19	20	22
Double the Local Food Infrastructure Program to support Indigenous groups	12	12	12
Indigenous food ways fund (community kitchens, gardening programs, greenhouses, etc.)	10	10	0
Support Indigenous-led non-profit motivated grocery stores	5	5	5



## Chapter six

# A vision for job creation and decent work

There is no reason to let Canadians languish in unemployment.

**W**HILE SOME PARTS of Canada's economy have bounced back from the initial pandemic hit, the number of long-term unemployed workers (those who have been unemployed for six months or more) has risen sharply compared to pre-pandemic, which indicates that many workers who lost their job in the initial lockdown have not been able to find work, despite actively searching.<sup>148</sup>

As of August 2021, 394,300 Canadian workers had been unemployed for six months or more, with 245,800 of those workers unemployed for a year or longer.<sup>149</sup> Unemployment increases have been particularly significant for young men, while young women were more likely to drop out of the labour force and were thus not counted as unemployed.

After 19 months, the pandemic has resulted in a higher rate of long-term unemployment compared to any recession since the late 1970s.<sup>150</sup> These numbers may signal that the pandemic will cause long-term "scarring" of workers, particularly those who face intersecting sources of discrimination, leading to lasting impacts in terms of skill deterioration, labour market detachment, permanent reductions in lifetime earnings, and potentially even poorer health outcomes. Federal leadership is needed to create the conditions to help workers reattach to the paid labour market as well as address the structural disadvantages and barriers that marginalized communities face (see *Inclusion and Well-being chapter*). This includes investments in high quality child care as well as robust employment standards and protections.

Through proactively providing the programs that Canadians need, this AFB will create new jobs and rapidly drive down Canada's unemployment rate to where it was before the pandemic. There is no reason to let Canadians languish in unemployment when there is so much work to be done.

Each year, about 1.9 million employees work for businesses that supply approximately \$25 billion worth of goods and services to the federal government. By setting conditions on employers in the federal labour jurisdiction or who wish to contract with the federal government, the

federal government is in a position to leverage immense change through procurement as well as direct federal labour law changes.

By setting a floor on terms and conditions of employment, fair contracting policies can help lift standards in local labour markets, create a level playing field for contractors who are competing for government tenders, improve equity, extend protections to workers in the gig economy, and prevent a competitive downward spiral in wages, benefits, and working conditions.

By creating explicit pathways to new job possibilities through focused and accessible training, this AFB will also facilitate a rapid return to employment for those hit hardest by the pandemic in areas of long-term employment. For women, this will include efforts that facilitate access to decent work in, for example, emerging green economy sectors as well as investments in current women-majority sectors such as health services and child care. Investing in the care economy will not only uplift women workers but have a cascading positive impact across the economy, environment, and communities.

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## AFB job creation

As part of the AFB's jobs program, job creation plays an important role. The AFB would create almost 700,000 jobs by 2025 due its policy changes alone. This would be over and above the job creation impacts of the waning pandemic restrictions in years to come.

While the unemployment rate is likely to fall under the government plan to 5.8% in 2023 and 5.4% in 2024 (see the *Economic and fiscal projection* chapter), the AFB plan would push those rates further down to at or under 5% unemployment depending on the year (see table 6.1). These newly created AFB jobs would be largely in health care and infrastructure given large investments there.

However, new transfers to low-income households are also projected to generate new jobs. Low income households, unlike higher income ones, are much more likely to spend everything they have. New transfers to those Canadians are therefore much more likely to immediately end up as new spending in the economy and therefore new jobs to provide those services and goods. Higher income households are more likely to save new government transfers thereby restricting the impact of those transfers on economic growth.



Table 6.1 AFB projected job creation

	2022	2023	2024	2025
AFB jobs created (000s)		321	601	644
Population (000s)	31,357	31,670	31,987	32,307
Participation rate	65.1%	66.0%	66.7%	66.7%
Labour force (000s)	20,413	20,902	21,335	21,549
Employed (000s)	18,862	19,832	20,300	20,418
Employment rate	60.2%	62.6%	63.5%	63.2%
Unemployed (000s)	1,551	1,070	1,035	1,131
Unemployment rate	7.6%	5.1%	4.9%	5.2%

## Federal fair wages and working conditions

The federal government will raise the minimum wage to \$15 an hour in April 2022. This is a long overdue policy decision. Advocates have been calling for a minimum wage of \$15 an hour for five years, and it is no longer enough.

Going forward, the federal government should rely on a low-wage commission to research the impact of low wages on workers, jobs, and the economy and to make recommendations to raise the minimum wage in the future. Several countries, including Japan, Australia and Germany, have created low-wage commissions to advise their governments and ensure minimum wage policies are informed by facts and evidence. For example, the United Kingdom’s Low Pay Commission found that, over the years, raising minimum wage rates had little to no association on hours worked or employment levels for low-wage workers.<sup>151</sup> The low-wage commission should be independent and should provide the resources to conduct robust research and analysis on labour market issues.

**This AFB will establish an independent low-wage commission that would be tasked with researching minimum wage policy in Canada and its impacts on workers, business, and the economy.**

Governments must set the standard for building good jobs into all organizational operations. Instead of creating precarious work, governments must ensure stability, security, decent income and access to benefits across all sectors of the economy and for all groups of workers, especially the most marginalized, as recommended by a recent parliamentary study of precarious work.<sup>152</sup> As mandated in the new *Accessible Canada Act*, governments must also make every effort to ensure equity and diversity in hiring and operations across the country,

increasing representation of people with disabilities and other under-represented groups at all levels of public service, and providing necessary supports and accommodations for workers to secure and retain employment.

One of these fair contracting policies, the *Fair Wages and Hours of Labour Act*, was repealed in 2012. **This AFB will restore a federal fair wages policy** that will apply to all federally funded construction projects in the broader public sector, whether they are funded in full or in part by the government and regardless of funding model. This policy will address all workers, including independent contractors, and it will treat “fair wages” as total compensation, rather than simply wages. It will establish wage schedules and regularly update them according to a clear and concise formula that is free from political interference. Terms and conditions established in collective agreements will be used to inform prevailing wage rates. It will also ensure that workers are covered by strong health benefit agreements, through public programs such as medicare and pharmacare, and/or privately purchased supplemental health benefits.

**This AFB will ensure that high quality, stable employment in Canada underpins federal investments.**

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## Ensuring diversity and community benefit through procurement

Over the next decade, the federal government has allocated billions of dollars to be spent on public infrastructure to build and maintain housing, roads, transit, water supply, electricity, and telecommunications in urban and rural communities. However, there is no guarantee those projects will ensure equitable workforce and business opportunities for Indigenous Peoples, Black and racialized people, women and marginalized genders, people with disabilities, veterans, vulnerable youth, and newcomers—people who are often excluded from infrastructure jobs and business opportunities.

**This AFB will ensure that federal procurement increases social value and contributes to community development.** It will implement Community Benefit Agreements (CBAs) in forthcoming infrastructure projects to increase local employment opportunities and skills development, including among vulnerable and disenfranchised communities. These agreements must include robust training and

apprenticeship programs to ensure equitable access to employment opportunities.

The modernization of procurement practices that were recently undertaken by Public Services and Procurement Canada has made progress in testing how social procurement can generate intentional community benefits. As part of this endeavour, this AFB will require CBAs to take an intersectional equity approach, with priority given to applications for funding from Indigenous, Black, and racialized groups, women, and other marginalized genders and communities (where applicable).

This AFB will promote and require the use of local and social procurement, including Community Benefit Agreements, in all recovery-related and new infrastructure spending in order to address racial, gender, disability and other inequalities in the labour market.<sup>153</sup> This will ensure that planned investments—including access to capital and operational grants—are exclusively available to non-profits, charities,<sup>154</sup> and other public sector providers. The AFB will also open up new and existing support for small- and medium-sized businesses to non-profits and charities.

We must also ensure programs consider the needs of people with disabilities—both in terms of employment opportunities and client services. Accessibility must be treated as a top priority in all new critical infrastructure development.

However, the potential for increased social value and community development from procurement goes beyond diverse ownership to include broader equity and equality practices throughout the supplier chain. Purchasers and suppliers often require training to assure the long-term success of procurement policies. Ensuring procurement by local social enterprises means that co-operatives and non-profit organizations can multiply the social and economic effects of public infrastructure spending.

Furthermore, community employment benefits and community benefit agreements for large infrastructure projects are vital mechanisms with which to ensure the effects of government investment are shared by all. The federal Community Employment Benefit policy has proven to be a very valuable tool to initiate new opportunities for apprentices, Indigenous Peoples, women, people with disabilities, veterans, youth, recent immigrants, and small-, medium-sized, and social enterprises. The direct and indirect employment and supply chain opportunities are stimulated through the activation of each infrastructure and related construction

project. Expansion of these policies is essential to an inclusive economic approach.

Community Benefits Agreements can ensure that public projects provide equitable and lasting benefits for local workers and businesses. When done right, CBAs also benefit the construction industry, which struggles to find skilled workers to meet growing demand and prepare for impending retirements. BuildForce Canada projects that the Canadian construction labour demand will intensify over the next decade, requiring more than 300,000 new workers.

This AFB picks up where Bill C-344, which would have allowed the Minister of Public Works to require community benefits assessments, left off after it failed to pass the Senate in 2019. As we recover from the pandemic, which has disproportionately affected Black, Indigenous and racialized communities, women and youth, the best place to find skilled workers is in our local communities, from sectors of the population that have low participation rates in the construction industry.

**This AFB will prioritize business owned by, or supporting, Indigenous, Black, and racialized communities and other equity-seeking groups to ensure their access to and participation in federal government procurement.**

To combat the systemic racism that disadvantages Indigenous, Black, and racialized communities in employment, business, and all labour market outcomes, the federal budget can ensure that procurement for all projects targets disadvantaged communities. **This AFB will ensure that dollars used for contracting, consulting, and procurement will benefit those communities as a mechanism to combat poorer labour market outcomes.**

To deal with systemic barriers to employment that disproportionately impact historically marginalized people, Canada needs strong, comprehensive federal Employment Equity legislation—expanded to include Indigenous Peoples, Black and racialized people, women and marginalized genders, persons with disabilities, and 2SLGBTQIA+ individuals. The legislation should be informed, implemented, monitored, resourced, and enforced by an intersectoral, disaggregated approach.

**The AFB will strengthen the federal Employment Equity Act to ensure racialized and other equity-seeking groups and historically disadvantaged communities have equitable access to the labour market.** It will ensure that the review of the Task Force on Modernization of the Federal Employment Equity Act has the mandate and resourcing necessary to strengthen the scope, administration, and enforcement of the Act, adopting an intersectional lens in identifying groups subject

to workplace discrimination and expanding the applicability of the act to employers engaged with the federal government via the federal contractors program.

During the pandemic the federal government created the “Task Force on Women in the Economy” to address the unequal job impacts of COVID-19 on women. However, there is an ongoing need for the government to harness the “best ideas” from diverse experts in the pandemic recovery but also in future crises. **This AFB will create a permanent Task Force for Women and the Economy** at a cost of \$5 million a year.

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## Worker Opportunities for the 21st Century

**The AFB will establish a new Workers Development and Opportunities Fund (WDOF)**, which will cover training costs, income replacement, apprenticeships, and other supports to guarantee an effective right to lifelong learning for all workers, without regard to workforce attachment or EI eligibility, with minimum spending thresholds for traditionally underserved Canadians (e.g., workers with disabilities, older workers, Indigenous peoples, newcomers, low income and precarious workers, young workers, women with young children and marginalized genders) as well as support for literacy and essential skills to promote inclusive growth. The fund will promote training in strategically important areas, including new jobs in the clean/green economy and in Canada’s care economy.

Canada is not fully tapping into the potential of its population to participate in the economy, nor is it providing opportunities for all people who live in Canada to engage in the workforce. Lower participation rates of Indigenous Peoples, women with children, lower-income workers with little formal education, people with disabilities, older workers over 55 and long-standing issues resulting in the underemployment of recent immigrants and refugees stand in the way of an inclusive recovery. The COVID-19 crisis has created additional barriers to the employment of young workers and women with children, while the climate crisis requires shifting away from fossil fuel dependent industries, which will inevitably displace workers in particular communities on a larger scale.

Access to high-quality adult training and re-skilling programs is key to engaging under-represented workers and to re-engaging those who become displaced from the labour market, while providing all workers the

opportunities they need to thrive in their careers in a rapidly changing job market, particularly for lower-income workers with little formal education.

Unfortunately, Canada's adult education and skills training system is woefully unfit for the task at hand. Federal funding currently flows through various programs, but much of the funding is narrowly focused on EI recipients and specific programs that are typically of short duration and provide few transferable skills. Employer investment in workforce training has been declining since the early-1990s and Canada lags behind other peer countries in job-related informal training, leaving many workers with few opportunities to build the skills necessary to move out of dead-end, gender-segregated, low-wage employment. Greater support for skills development and training is needed if we are to rebuild an inclusive economy post-pandemic.

The newly introduced Canada Training Benefit (CTB) is poorly targeted and too small to meet the scale of the challenge that workers are facing. While workers can access some tax credits to help cover training expenses through the Canada Training Credit and use EI to help cover some costs and take leave from their jobs to complete training through EI Training Support Benefit, four weeks of training over four years is insufficient for most workers. It also fails disadvantaged workers who need more intensive training support, many of whom would not be able to qualify for EI under the pre-pandemic rules. **This AFB will roll in roughly \$200 million of funding per year into the new WDOF.**

This AFB will also significantly increase funding for training programs and initiatives across sectors, including funding to support innovative approaches to skills training. Rather than only funding narrow, short-duration programming, adult training (including foundational literacy and numeracy programs, as well as more accessible English language training for immigrants and refugees) should be funded throughout the entire spectrum. Displaced and unemployed workers must be able to pursue longer post-secondary education programs.

**This AFB also requires employers to spend at least 1% of payroll on training and development, with a 2% payroll fine for non-compliance, paid into the WDOF.** Finally, this AFB establishes a mandatory apprenticeship ratio for all federal infrastructure projects and maintenance contracts with reserved placements for equity-seeking groups.

**Cost: \$1.4 billion a year**

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## A youth job guarantee

Those entering the workforce during and immediately following the pandemic will find it harder to secure their first job. Young women, in particular, may reduce their labour market participation due to caring responsibilities, which will widen the gender employment and earnings gap and have lasting consequences throughout their lives. Unemployment is very high among racialized youth and youth with disabilities.

**To address increased unemployment and young people who are NEET (not in employment, education or training) rates among youth, this AFB will establish a national youth guarantee** giving young people under 30 years of age the right to continued education, apprenticeship, training, or a quality job offer within four months of becoming unemployed or leaving formal education.

Working with provincial and territorial governments, employers, educational and training institutions, youth organizations, and unions, the youth guarantee will boost the supply of high-quality apprenticeships and vocational education and training opportunities. It will use direct employment programs and well-designed incentives such as targeted wage subsidies to create high-quality job prospects for young people.

The youth guarantee will fund individualized assistance and services for young people who are facing multiple barriers and offer preparatory training tailored to individual needs. Terms and conditions of employment and participation in training will respect the standards established by collective agreements.

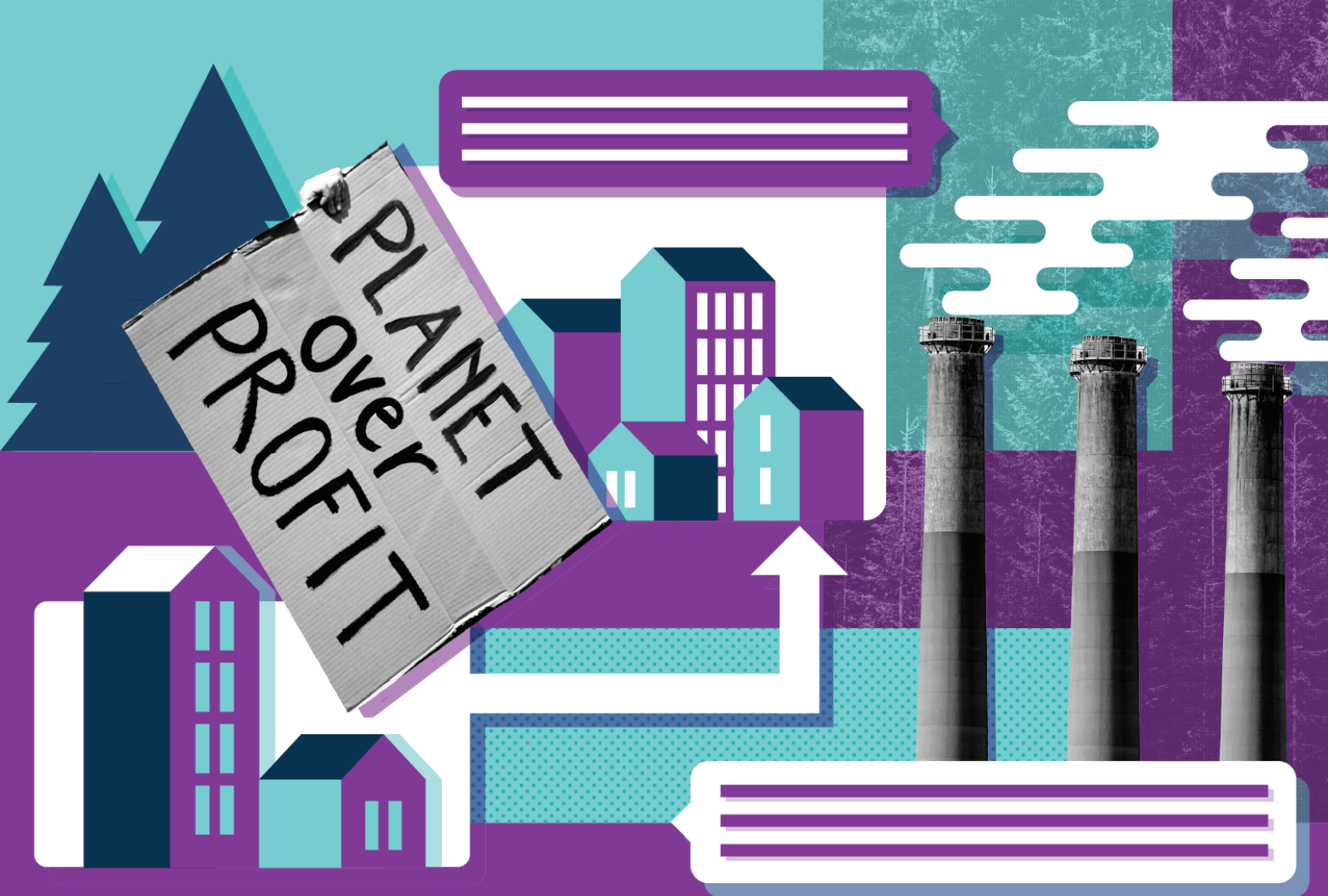
This AFB will also identify key high-needs areas in which this guarantee will provide training, including a green transition, seniors' care and child care (*see Social Infrastructure and Care Economy chapter*).

**Cost: \$3 billion a year**

**Table 6.2 Costing of job creation and decent work items (\$mil)**

<b>Job creation and decent work</b>	<b>2022-23</b>	<b>2023-24</b>	<b>2024-25</b>
Establish an independent 'low-wage commission'	2.5	2.5	0
Make Taskforce for Women and the Economy permanent	5	5	5
Cancel the Canada Training Benefit	-210	-230	-250
Establish a new Workers Development and Opportunities Fund (WDOF)	1,400	1,400	1,400
Create a Youth Job Guarantee	3,000	3,000	3,000





## Chapter seven

# Physical infrastructure for people, biodiversity, and planet

Protecting the natural world guarantees a decent life  
for everyone who lives here.

**I****N CANADA, WE** are failing to protect our natural environment and provide the essential physical infrastructure that people need to live healthy, secure, and fulfilling lives. This is unacceptable for such a large and wealthy country. This AFB puts Canada on a path toward harmony with the natural world that guarantees a decent life for everyone who lives here.

For Canada to do its part in mitigating the global climate crisis, we must take more aggressive actions to reduce greenhouse gas emissions while investing in resilient, lower-carbon infrastructure. Building on the government's own commitments to achieve net-zero emissions by 2050, this AFB ramps up the stringency of environmental regulations. It also takes a more hands-on approach to transitioning the economy away from the production and consumption of fossil fuels.

Moving away from coal, oil, and natural gas comes with costs, especially for workers and communities who currently rely on the fossil fuel industry for their livelihood. This AFB commits to providing a just transition to a lower-carbon economy for those who are most affected by the shift to cleaner alternatives. Furthermore, this AFB commits to diversifying the clean economy workforce so that the economic benefits of decarbonization—not fossil fuel extraction—are more widely shared with historically marginalized groups.

Investing in climate-friendly physical infrastructure must go beyond the energy sector. As our largest population centres and the sites of most of our economic activity, Canada's cities play a pivotal role in the pursuit of a zero-carbon economy. This AFB advances a vision of the city that is grounded equally in sustainability and social justice, with the goal of producing livable, equitable, and vibrant communities across the country.

To that end, this AFB tackles one of the single greatest challenges facing Canadian communities today: the housing crisis. Although the federal government introduced a National Housing Strategy and legislation that recognizes the legal right to housing, there are still 1.6 million people who need core housing in Canada and an estimated

235,000 people who are experiencing homelessness and housing insecurity.<sup>155</sup> These individuals are disproportionately Indigenous, racialized, newcomers, those with disabilities, or those facing mental health challenges. The federal government is not on track to meet its commitment to end chronic homelessness by 2030. Major reforms to Canada's housing and homelessness systems are necessary. This AFB refocuses the government's existing housing programs toward individuals in the greatest need and introduces new programs to fill in the gaps for renters and Indigenous communities.

Canada's agriculture sector plays an underappreciated role in protecting the natural environment while it feeds communities across the country. Agriculture is also a significant source of greenhouse gas emissions that has largely been ignored in Canada's climate plans. This AFB pivots away from an export-oriented agriculture industry toward investments in infrastructure to support family farms and farming communities that emphasize climate-resilient, low-emission production for domestic markets.

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## Environment and climate change

**This AFB will place an immediate moratorium on new fossil fuel extraction projects and implement a timeline to phase out coal, oil, and natural gas production for fuel by 2040.**

This AFB will place an immediate moratorium on new coal, oil, and natural gas projects, which are incompatible with the need to aggressively reduce global greenhouse gas emissions. Building on the success of the accelerated phaseout of coal-fired power generation in Canada, this AFB will implement a regulatory phaseout of the fossil fuel production sector and all related subsidies by 2040 (*see Taxation chapter*). Some exceptions may be made for the non-fuel use of oil and gas (e.g., plastics and fertilizers).

Providing greater certainty about the inevitable winding down of fossil fuel production in Canada will reduce the risk of new infrastructure becoming stranded assets and encourage productive private investment in lower-carbon alternatives. It will send a strong signal to communities to diversify their economy and to young workers to pursue careers in more sustainable industries.

**This AFB will establish a permanent funding stream of \$1.5 billion per year for nature conservation.**

Biodiversity loss is unfolding in Canada at an alarming rate, in line with rising global temperatures due to climate change. The federal government has made nature conservation and nature-based climate solutions a priority in recent years, including a promise to plant two billion trees at a cost of \$3 billion. However, the scale of investment lags significantly, considering the gravity of biodiversity loss.

This AFB will invest \$1.4 billion per year to manage protected land and marine areas, with an emphasis on Indigenous-led conservation and stewardship. A permanent funding stream will better support Indigenous, provincial, and territorial governments in taking responsibility for nature management, while encouraging the creation of new protected areas.

An additional \$100 million per year will be invested in climate and biodiversity science, including a federal biodiversity strategy, an improved freshwater monitoring and reporting system, and improved environmental data collection.

**This AFB will increase Canada's climate finance commitments by \$1.6 billion per year, 50% of which will be allocated to climate adaptation.**

Over the past five years, Canada's climate finance portfolio has been heavily reliant on loans—in stark contrast to the country's stated commitment to work toward a safer and a more sustainable world. At the G7 Summit in 2021, Canada committed to double its contribution to global climate finance, raising the investment to \$5.3 billion over five years. To meet Canada's obligations under the Paris Agreement and the 2030 Agenda for Sustainable Development, these commitments must be reflected in the country's financial framework and scaled up to \$8 billion over five years.

To date, Canada's climate finance has focused on emissions mitigation, with much of its funding directed toward multilateral organizations. Allocation has been insufficient for crucial adaptation measures to support the resiliency of communities whose lives and livelihoods are the most affected by the climate crisis. Ensuring a greater balance between adaptation and mitigation and prioritizing mechanisms to ensure predictable long-term investments and reasonably fast disbursements will assure the efficacy of Canada's investments are in line with the Feminist International Assistance Policy (*see International chapter*).

**This AFB will adjust the revenue-recycling formula for the national carbon pricing system to reinvest in provincial emission reduction initiatives.**

The federal carbon pricing floor is set at \$50 per tonne of carbon dioxide equivalent for 2022 and is set to rise by \$15 per year until it reaches \$170 per tonne in 2030. Almost all revenue generated through the system, which is projected to be approximately \$8 billion per year,<sup>156</sup> is recycled to households as a flat tax rebate, with a small portion allocated to businesses and organizations.

Recycling revenue to households can offset the regressive nature of carbon pricing, but not all revenue need be recycled in this manner. Targeting rebates to low-income households can eliminate the regressive impact of the pricing system, using as little as 10% of total revenue.<sup>157</sup>

This AFB will reallocate the majority of federal carbon pricing revenue away from middle-to-high-income households and toward emission reduction initiatives in the provinces where revenue is generated. Under this arrangement, those provincial governments must use the funds to invest in climate change mitigation and adaptation measures. There is no net fiscal impact for the federal government.

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## Stewarding a just transition

### **This AFB will establish a permanent Just Transition Commission to oversee and manage Canada's transition away from fossil fuel production.**

Among countries that have advanced a concrete just transition agenda, such as Germany and New Zealand, one important commonality is their creation of a durable, independent body to oversee and manage the transition process. Canada's Just Transition Task Force which operated from 2017 to 2019 was a step in the right direction. Unfortunately, the capacity of that body to advance a meaningful agenda was hampered by a narrow mandate, time constraints, and inadequate resources.

This AFB establishes a permanent, independent Just Transition Commission and commits \$5 million per year for that commission to oversee and co-ordinate the federal government's just transition agenda. The commission's mandate will not be restricted to particular industries or geographic regions. Instead, it will be responsible for ensuring that all aspects of government are aggressively moving to phase out fossil fuel production and consumption while supporting workers and communities across the country to make the shift to cleaner alternatives.

The commission will include representation from—and conduct ongoing engagement with—a wide variety of stakeholders, including labour unions, civil society groups, Indigenous peoples, people with

disabilities, business associations, independent experts, and public servants from governments of all levels.

In addition to its co-ordination function, the commission will, in collaboration with affected communities, develop regional transition road maps to plan the departure from fossil fuel dependence.

**This AFB will establish a Just Transition Benefit to support workers in fossil fuel communities as they transition to cleaner industries.**

When an extractive project, such as a coal mine, is shut down, many coal miners as well as contract and service workers lose their jobs. This AFB will create a \$2,000 monthly Just Transition Benefit designed to offset workers' income loss from the closure of fossil fuel facilities and ancillary businesses in the regions most impacted by climate policies.

The benefit will be available for as long as necessary to help displaced workers seek re-training and/or re-employment. The benefit will also cover income bridging, a useful policy to support workers who are near retirement and cannot reasonably retrain for a new career in the interim.

This AFB will allocate \$100 million per year over 20 years (the lifetime of Canada's fossil fuel phaseout) to provide generous, predictable support to these workers.

**This AFB will establish an economic diversification crown corporation to invest in alternative industries in communities currently dependent on fossil fuel production.**

Income support, while essential, does not lead to new employment opportunities in communities that are transitioning away from fossil fuel production. For these communities to remain vibrant and sustainable over the long term, they must diversify their regional economies.

This AFB will create a new federal economic diversification crown corporation as part of the reconstituted Canada Infrastructure Bank (see below). It will have the mandate to invest in alternative industries, (e.g., retooling the energy industry and other initiatives that directly reduce greenhouse gas emissions), specifically in regions that are transitioning away from fossil fuel production.

Unlike existing organizations such as Western Economic Diversification Canada, which tries to attract private capital, this new crown corporation will prioritize direct public ownership of new infrastructure. Publicly owned projects are desirable because they can prioritize job creation over short-term profitability. The economic diversification crown corporation will be in the business of creating good green jobs for anyone who wants or needs them in affected communities.

To provide a truly viable alternative to fossil fuel production, new investments in economic diversification must be made on a scale

commensurate with the outgoing fossil fuel sector. This AFB will provide the economic diversification crown corporation with \$15 billion per year over five years, via the Canada Infrastructure Bank (see below), to rapidly scale up alternatives.

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## Community infrastructure

**This AFB will reform the Canada Infrastructure Bank (CIB) by imposing a mandate to pursue publicly owned and operated infrastructure, and it will refinance the CIB with \$20 billion per year above existing allocations to support that mandate.**

The Canada Infrastructure Bank (CIB) currently leverages a small amount of public seed money to attract investment in infrastructure from the private sector and other levels of government. This model has proven unsuccessful: the CIB has consistently failed to attract the enormous private capital it promised. It is also unnecessarily expensive. Private investors demand 7–8% returns, whereas publicly funded infrastructure need only return interest costs, which are well below 2%—historically low.

This AFB will repurpose the CIB to become a fully publicly financed bank with a mandate to invest in publicly owned and publicly operated infrastructure. The new CIB will also provide low-cost loans to municipalities, Indigenous governments, and other public bodies to scale up important infrastructure projects that are in the public interest.

To accelerate this new mandate, this AFB will allocate \$20 billion per year over five years to the CIB—above and beyond existing allocations. In the medium term, the bulk of this new funding (\$15 billion per year) will be allocated to investments in low-carbon infrastructure in fossil fuel-dependent communities (see above) to help those regions rapidly transition away from their dependence on coal, oil, and natural gas production. Because these equity stakes are expected to pay for themselves over the long term, there is no net fiscal impact in this AFB.

The remaining \$5 billion per year will be used to fund sustainable infrastructure in the rest of the country, including the expansion of public transit, clean electricity production and climate adaptation initiatives.

To ensure that the benefits of these new investments are equitably shared, this AFB will require Community Benefits Agreements (CBAs) to be negotiated as part of all large-scale public infrastructure projects (see *Employment and Job Creation chapter*).

**This AFB will increase the national goods and services tax (GST) by 1% to create a new permanent funding source for municipalities.**

The federal and provincial history of off-loading responsibilities to municipalities has left many cities across the country with a huge demand for essential services but inadequate revenue to provide them. Compared to higher levels of government, municipalities have few levers for increasing revenue to meet their growing demands.

To begin to bridge this funding gap experienced by municipalities, the AFB will restore the federal GST rate to 6%, which would generate approximately \$8–9 billion per year in new revenue that grows in line with the broader economy. This new money will be specifically allocated to municipalities in proportion to their population, budget, and current level of services. It will not become part of general federal revenue.

The Harper government lowered the federal GST from 7% to 6% in 2006 and to 5% again in 2008. This AFB's increase is therefore well within the historical norm.

**This AFB will create a new National Community Development Agency to support and co-ordinate municipal community development initiatives.**

The new National Community Development Agency will manage and allocate revenue generated by the GST increase and work with municipalities to help them develop strategies to advance community development goals. The agency will also work with provinces, cities, and the new Just Transition Commission (see above), to develop and co-ordinate a National Transit Strategy, which may include a public intercity bus service, a National Sustainable Municipal Asset Management Plan, and a National Brownfield Redevelopment Strategy. The latter will guide and support efforts to revitalize former industrial sites for productive community and economic use.

Working with the Treasury Board, the agency will also ensure that federally owned assets—including land, buildings, and fleets—are leveraged to advance community development goals.

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## Housing

**This AFB will immediately appoint a strong, well-resourced, and effective Federal Housing Advocate and bolster the capacity of the National Housing Council to identify and remedy systemic violations of the right to housing.**

A decade after the United Nations Human Rights Committee urged Canada to implement positive measures to address homelessness, Canada adopted the 2019 *National Housing Strategy Act*, which



recognized that “housing is essential to the inherent dignity and well-being of the person” and that “the right to housing is a fundamental human right affirmed in international law.” The legislation requires the development of a National Housing Strategy (NHS), which serves to progressively realize the right to housing and provides disadvantaged individuals and groups with opportunities to make submissions to a federal housing advocate on systemic issues. However, Canada’s legislated *National Housing Strategy Act* has not yet been fully implemented nor does Canada have an appointed federal housing advocate.

The mechanisms established in the *National Housing Strategy Act* promise to shift power to rights-holders. However, political leadership is required to achieve the goal of ending homelessness and reducing core housing needs.

In addition to appointing a federal housing advocate, this AFB will evaluate and amend the National Housing Strategy and other housing policies to ensure that programs genuinely and positively impact those who bear the brunt of Canada’s housing and homelessness crisis. This includes persons who have interacted with the criminal justice system; those with precarious immigration status; those with disabilities who require both housing and accompanying support services to live independently in the community; migrant workers; low-income women and marginalized genders; lone caregivers; and residents of rural and remote communities.

This AFB will build transparency into the process, including an assessment of whether NHS investments are meeting the threshold that 25% of investments must impact women, girls, and gender-diverse persons.<sup>158</sup>

**The AFB will expand and accelerate the creation of affordable and sustainable non-market housing.**

At least 300,000 new affordable housing units are necessary to address Canada’s housing and homelessness crisis.<sup>159</sup> The lack of affordable housing is one of the biggest causes of homelessness.<sup>160</sup> New construction programs are needed to ensure deep affordability of a portion of these units through significant grants. Rental assistance initiatives and enhanced income security programs are also required (see *Income Supports chapter*).

This AFB takes this opportunity to expand the stock of universal barrier-free housing, which is imperative to address the housing needs of people with disabilities,<sup>161</sup> who make up roughly one-third of the 2.4

million people who live in core housing need in Canada,<sup>162</sup> as they are subjected to discrimination and drastically restricted housing choices.

The current National Housing Strategy proposes to add 150,000 new units over 10 years—15,000 new units per year—through a mix of 50,000 redeveloped community housing sites and 100,000 new sites. The AFB proposes to boost this target to 250,000 units through a blend of acquisition and new builds. All units will employ a universal design and a minimum of 10% of new units will be set aside for urban Indigenous households. Specifically, this AFB will provide an additional \$3.5 billion a year to the National Housing Co-investment Fund to build 100,000 more units over 10 years, totalling 350,000 new units created by the NHS.

**This AFB will invest \$1 billion per year in permanent supportive housing for both new and existing clients.**

The current NHS contains no specific provisions for supportive housing (i.e., affordable housing combined with on-site social services) despite the fact that one of the strategy's stated goals is to reduce chronic homelessness by 50%.

**This AFB will provide \$2 billion in additional annual capital funding to acquire, repurpose, and build new permanent supportive housing.**

The success of new supportive housing hinges on 1) effective local programming and supports that are tailored to the needs of those at risk of or experiencing homelessness, and 2) service co-ordination across service sectors and funders. This capital funding will create 10,000 new units of supportive housing per year—to be delivered by non-profit providers.

**This AFB will create a housing acquisition fund to support the purchase of existing rental assets by community non-profit housing providers, with the goal of maintaining the supply of affordable housing for low- and modest-income households over time.**

In addition to new builds, the acquisition of existing housing assets is key to creating affordable housing stock. Immediate action is needed to prevent the further financialization of housing caused by Real Estate Investment Trusts (REITs) and large capital funds, which scoop up “distressed” housing assets, thus displacing and further impoverishing low-income households.

Through a combination of loans and grants, this AFB will support non-profit and co-operative housing providers to acquire and operate existing residential properties. Recipients will be subject to explicit targets for maintaining affordable, accessible housing. The non-profit housing sector is well-positioned to drive efficient housing solutions that will effectively address affordability challenges and provide critical economic stimulus.

This is important for a country that is still in the midst of a public health emergency and economic recession.

To support the creation of affordable non-market housing, this AFB will introduce a public land acquisition fund that will target 7,500 units per year at a net fiscal cost of \$340 million per year.<sup>163</sup> Along these same parameters, federal land opportunities will be identified and made available to community non-profit partners for the construction of affordable housing.

**This AFB will end the First-Time Home Buyer Incentive, saving \$30 million per year.**

The incentive does little to improve housing affordability because it targets buyers who are already wealthy enough to have saved money in an RRSP. The incentive, in fact, contributes to asset price inflation in an overheated private housing market.

**This AFB will support and resource the implementation of urban, rural, and northern Indigenous housing strategies by targeting funds and carving out expansions to the construction of permanent housing options and related supports.**

Indigenous Peoples are dramatically overrepresented among people experiencing homelessness in Canada and are 11 times more likely than non-Indigenous peoples to use an emergency shelter.<sup>164</sup> In a recent report, the Parliamentary Budget Officer identified 124,000 Indigenous households in housing need, including 37,500 who are homeless each year.<sup>165</sup>

The most glaring omission in the 2017 National Housing Strategy, and subsequent policy announcements, is the lack of a dedicated urban, rural and northern Indigenous housing strategy—despite the fact that 80% of Canada's Indigenous Peoples live in urban, rural, and northern settings (i.e., off reserve).<sup>166</sup>

To address these disparities in housing conditions in urban, rural, and northern settings, Canada requires sustainable investments in permanent housing options at a scale commensurate with need. Such investments will complement those being undertaken in First Nations, Inuit, and Métis communities.<sup>167</sup>

The revised National Housing Strategy would include a minimum of 10% of new builds or acquisitions to support the Indigenous housing strategy.

**This AFB will introduce a Residential Tenant Support Benefit to address the looming post-pandemic evictions crisis.**

A critical factor contributing to homelessness is the insufficient stock of existing rental units with rents that align with individuals' capacity

to pay. For example, the gap between the housing component of social assistance and the median rent for a bachelor (single) or two-bedroom (lone parent with one child) apartment “ranges from \$0 in P.E.I. up to almost \$700 in B.C., with an average of \$390 for singles and \$478 for the lone parent.”<sup>168</sup>

The COVID-19 pandemic has further exacerbated these inequities, particularly for low-income tenants who are already marginalized, like women, Black and Indigenous Peoples, racialized communities, queer households, and people with disabilities. Members of these populations, many of whom have been hit the hardest by job and income loss, now face eviction due to mounting arrears. It is estimated that more than 250,000 units in Canada have accumulated over \$350 million in arrears since the onset of the pandemic.

This AFB will create a Residential Tenant Support Benefit (RTSB) to address Canada’s mounting arrears and evictions crisis. Under the RTSB, tenants who face barriers meeting rent during the pandemic will qualify for a payment to restore their rent-to-income ratio to its pre-pandemic level. This benefit will essentially offer retroactive rental assistance to help tenants pay off arrears accumulated during the pandemic at a cost of \$214 million.

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## Agriculture

**This AFB will increase infrastructure capacity for local, regional, and domestic agricultural production, processing, storage, transportation, and distribution.**

There is significant potential for Canada’s family farmers to serve the domestic Canadian market and retain a higher proportion of the consumer dollar within our national, regional, and local economies. However, the diversified agricultural production that is needed for a more resilient food system can only occur if the supporting infrastructure exists. Past federal budgets have funded export-oriented growth. This has resulted in: 1) a focus on producing raw commodities for export, and 2) the centralization and concentration of Canadian food processing, which creates infrastructure deserts. This AFB will reverse this trend, as follows.

First, this AFB will invest in building new abattoirs as well as refurbishing and reopening provincially licensed abattoirs. At a time when consumers increasingly want to support local producers, and as livestock producers adopt climate-friendly grazing systems, access to abattoirs

has declined in many areas. This infrastructure bottleneck is one of many hindering the growth of vibrant regional food systems across Canada.

Second, this AFB will provide compensation for the loss of supply-managed markets due to CUSMA. The compensation will promote on-farm processing, direct marketing, and alternative production systems for dairy, poultry and eggs within the supply-managed system. This could include initiatives like artisanal cheese making, pastured poultry, coin-operated milk dispensaries, and local delivery to allow reusable glass containers.

Third, this AFB will provide support for co-operative development. This will allow local food producers to pool their resources and labour in order to build and operate local and regional storage, distribution, and marketing infrastructure.

Finally, this AFB will increase capacity for effective public interest regulation to foster greater public trust in Canadian agriculture. This requires hiring, training, and supporting ongoing professional development of the next generation of scientific and technical personnel as well as providing organizational administrative support. Existing facilities must be maintained and upgraded, and new facilities need to be built. Independent regulators must be enabled to scientifically review new products, to reassess existing products, and to scan for emerging issues and address them proactively.

The existing Next Policy Framework has a total budget of \$3 billion for strategic investment. Funds currently used for marketing junkets and other export promotion activities should be redirected to these new initiatives.

**This AFB will promote public plant breeding by increasing funding to support plant breeding research and by ensuring that the public retains ownership of new varieties.**

Public plant breeding will continue to produce high-quality seed adapted to Canadian growing conditions and which produces crops that our domestic and international customers value. This AFB will rebuild plant breeding capacity to ensure that Canadian public breeders are working on the full range of crops needed for a diverse agriculture system that has the resilience required for climate adaptation and mitigation and to adequately support domestic food security. This AFB will also ensure that Agriculture and Agri-Food Canada registers and retains ownership of new varieties.

The need for increased public sector plant breeding funds is urgent because climate change is affecting growing conditions and pressures from diseases and pests. Farmers, who are operating with higher risks

due to less predictable weather and more frequent weather disasters—such as drought, flooding, early frost and heat stress—need seed that performs well on their farms available without high royalty payments to multinational corporations such as Bayer and Corteva.

For agriculture research facilities that are involved in plant breeding, this AFB will restore funding to pre-2012 levels (adjusted for inflation) plus 10% for rebuilding and retooling (\$60 million over three years). Facilities that were closed will be replaced or rebuilt. Funding for breeding minor crops will be doubled compared to pre-2012 levels. Breeding for minor crops is necessary to diversify crop rotations as a climate adaptation strategy, yet this practice has all but disappeared.

**This AFB will create a Canadian Farm Resilience Administration (CFRA) to co-ordinate the agriculture sector’s response to climate change. (\$50 million)**

In the wake of the 1930s dust bowl, Canada created the Prairie Farm Rehabilitation Administration, which helped farmers conserve soil, prevent erosion, develop water resources, and manage pasture land. This administration continued until it was dismantled by the Harper government between 2009–13. As the impacts of climate change become increasingly severe, the need for federal oversight and leadership in agriculture is clear.

The new CFRA will be national in scope and will be updated to deal with the climate challenges of the 21st century. The CFRA will be responsible for the following tasks:

1. Hiring, training, and managing public servant extension agrologists (see below);
2. Administering free, detailed, standardized soil testing;
3. Creating and operating demonstration farms, where low-input, low-emission, sustainable agricultural approaches can be refined and showcased;
4. Leading data collection and interpretation to quantify progress, highlight success, and spread best practices; and
5. Overseeing an ambitious, Canada-wide soil protection and restoration program.

The CFRA will also create and fund a suite of new agri-environmental programs to support sustainable farming practices. Significant greenhouse gas emissions reductions can be achieved in the agriculture sector by educating farmers and adopting new approaches for land management. The agency will provide a range of incentives and support

to encourage farmers to adopt best-management practices, including enhanced crop rotations, cover crops, low-input approaches, improved manure management, and soil protection and rebuilding. Farmers will be encouraged to make emissions reductions plans, nutrient management plans, soil health plans, and overarching environmental farm plans. These initiatives will help farmers better understand their GHG emissions and ecological impact.

In the longer term, these programs will support farmers to transition to alternative or enhanced production approaches such as agroecology, regenerative agriculture, organic production, holistic management, lowering input and emissions, soil-building, and biodiversity-enhancing systems.

**This AFB will fund the hiring, training, and deployment of more than 1,000 independent public servant extension agrologists (\$100 million).**

Every part of the transformation of our production systems—including more complex rotations, enhanced grazing and fertilizer use efficiency—requires support from independent extension agrologists. Unlike commercial services, public agrologists can focus on input reduction, emissions reduction, sustainability, and soil health. A key incentive for farmers is to offer free, independent agronomy services supported by free soil testing for carbon levels, nutrient levels, water infiltration, and micro-organism biodiversity.

**Table 7.1 Costing of physical infrastructure items (\$mil)**

Physical infrastructure	2022-23	2023-24	2024-25
<b><i>Environmental protection</i></b>			
Management of protected lands and marine areas, climate and biodiversity science	1,500	1,500	1,500
Increase Canada's climate finance commitments	1,600	1,600	1,600
<b><i>Just transition and industrial strategy</i></b>			
Establish a permanent Just Transition Commission	5	5	5
Establish a Just Transition Benefit to support workers in fossil fuel communities as they transition to cleaner industries	100	100	100
<b><i>Community infrastructure</i></b>			
Create stable, long term infrastructure funding (worth 1% of GST)	8,720	9,040	9,340
<b><i>Affordable housing and homelessness</i></b>			
Target construction of an additional 100K units to total 350K across the NHS and the AFB	3,100	3,500	3,500
New affordable permanent supportive housing	1,000	1,000	1,000
Land and existing assets acquisition fund	340	340	340
Cancel the First-Time Home Buyer Incentive	-29	-30	-31
Residential Tenant Support Benefit	214	0	0
<b><i>Agriculture and food</i></b>			
Promote public plant breeding	20	20	20
Create a Canadian Farm Resilience Administration	10	30	50
Hire and train 1,000 agrologists	70	70	70





Chapter eight

# Canada in the world

In pursuit of a fairer and more balanced  
international economic order.

**T**HE COVID-19 PANDEMIC has highlighted the interconnected nature of our global challenges and the vulnerability of our social and economic systems to sudden shocks. It has also underlined how far the world is from achieving the global targets of human prosperity that are articulated in the Sustainable Development Goals.

Six years ago, countries agreed that closing the vast international gaps in poverty, inequality, education, gender equality, industrialization, decent work, environmental protection, and other areas can only be done with coherent international co-ordination. Nearly two years into the pandemic, the UN is warning that we are moving further away from reaching these global goals.<sup>169</sup>

“Nearly one person in three around the world could not access adequate food in 2020—an increase of nearly 320 million people in one year,” UN Secretary-General António Guterres said in July 2021. “Violence against women has risen to shocking levels, with reports doubling and tripling in some places,” he added.

The burden of unpaid domestic and care work and women’s dominance in hospitality and professional care is “squeezing women out of the labour force,” said Guterres. In Canada, 10 times as many women as men have fallen out of the workforce since February 2020, according to a RBC report in March 2021.<sup>170</sup> As a result of pandemic-related job losses and economic instability, the International Labour Organization (ILO) warns that there will be 13 million fewer women in the workforce globally in 2021 than there were in 2019.<sup>171</sup>

Inequality has grown during the pandemic. As Oxfam pointed out this year, nine new billionaires were created as a result of monopoly profits from COVID-19-related pharmaceutical products, including vaccines. Eight existing billionaires grew their wealth by US\$32 billion—enough to fully vaccinate everyone in India.<sup>172</sup> In Canada, while 5.5 million workers had lost their jobs or had their work hours halved at the pandemic’s peak, the 47 Canadian billionaires on Forbes’s annual list increased their wealth by \$78 billion.<sup>173</sup>

As a relatively wealthy country, Canada had the fiscal autonomy and credit rating to contain the spread of the pandemic at home through large-scale vaccine purchasing, while introducing new income support programs to help insulate people and businesses from economic disruption. Historically disadvantaged and massively indebted countries, on the other hand, were left to choose between economic collapse and pandemic containment, resulting in avoidable deaths and generational losses in economic prospects.

While the federal government purchased five times as many doses as we would need to fully vaccinate the entire population, Canada has delayed negotiations at the World Trade Organization (WTO) on a waiver of several articles in the WTO Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS) that would ease the global rollout of COVID-19 vaccine production, treatment, and medical equipment.

The TRIPS waiver, proposed last October by India and South Africa (with sponsorship from more than 60 other WTO countries), could have saved countless lives and livelihoods. Instead, the proposal remained stuck within the TRIPS council through the summer of 2021, with the European Union obstructing and both Canadian and U.S. governments delaying efforts to move the negotiations forward. All are aware that existing vaccine production will fail to cover nine out of 10 people in most developing countries by 2024.

The incoherence of Canada's international relations and policies, not to mention their inconsistency with the Sustainable Development Goals (SDGs), is unfortunately not new. With respect to Canada's development assistance, trade, diplomacy, security and defence policies, incoherence is the norm.

For example, despite Canada's commitment to the SDGs, only 30 cents of every \$100 of national income is invested in solving global challenges that affect us all. Canada's official development assistance (ODA) falls far below the global target of 0.7% of gross national income and it sits at close to a 50-year low for our country. This stands in stark contrast to Canada's high subsidies, through [Export Development Canada](#) and elsewhere, to carbon-intensive exports that critically undermine the climate-related and development objectives in the 2030 agenda.<sup>174</sup>

In the area of so-called security, Canada has contributed \$300 million in humanitarian aid and \$22 million to the UN-led peace process in war-ravaged Yemen since 2015. But this government also allowed a [\\$14.8 billion](#) arms deal with Saudi Arabia (brokered by the Harper government) to move ahead, despite evidence that Canadian-made weapons were being used in the conflict.<sup>175</sup> With contradictions like this, the [last-](#)

minuteness of the Trudeau government's pitch to African countries, and Canada's lack of broader engagement with other multilaterally oriented UN members, it is hardly surprising that Canada lost a second vote for a seat on the UN Security Council in 2020.<sup>176</sup>

With respect to trade, Canada is clearly not reading the tea leaves. Deindustrialization, massive ecological decline, persistent inequality between and within countries, and low public expectations of steady, well-paying employment in the Global North and South have fundamentally weakened the case for more trade and investment liberalization as the *sine qua non* of national economic policy. Yet Canada continues to push, at the WTO and in bilateral trade negotiations, for ever-tighter restrictions on public policy.

The existential imperative for countries to eliminate carbon emissions from the economy within the next two decades will require large-scale, almost unprecedented levels of government intervention and international co-operation. Current legal trade and investment architectures frustrate—and even prohibit—just transition or Global Green New Deal measures, including the introduction or expansion of public services and policies to increase domestic industrial capacity in low-income countries. Broad trade policy reform is in order.

Canada's political leadership and global engagement matters. It is time to ensure that this engagement is coherent and strategic while grounded in feminist and anti-racist principles and human rights, the achievement of the Sustainable Development Goals, and the pursuit of a fairer and more balanced international economic order.

The following AFB recommendations in the areas of international development, diplomacy, and international trade will bring coherence to Canada's foreign policy. This strategic orientation also reinforces Canada's domestic industrial strategy, public service expansion, and just transition for workers in the weapons and oil and gas sectors in Canada.

Significantly, ensuring Canada's strategic engagement in no way exacerbates the country's fiscal deficit. All of these commitments can be achieved in a cost-neutral way by reallocating funds across departments and strategic priorities, as outlined in this chapter.

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## International development and foreign policy

### Building on the good practice of developing the Feminist International Assistance Policy (FIAP), Canada must develop a cohesive Feminist Foreign Policy

In its first year, this AFB invests \$2 million toward a year-long consultative process to inform the development of a coherent foreign policy, articulated through feminist and anti-racist values. Over years two and three, this AFB will allocate a total of \$5 million for departmental reforms to bring our institutions into conformity with the new policy. The main goal of these reforms is to ensure that Canada's institutions and missions abroad operate on structures, mechanisms, and processes that align with feminist principles and human rights.

### Demilitarization and humanitarian disarmament

Foreign policy that is guided by feminist and anti-racist principles calls for the critical re-examination of the root causes of violence, oppression, inequality, and conflict within government institutions, mechanisms, and processes. This includes challenging militarism and elevating non-violence and human security within a fundamentally transformed security policy, one based on diplomacy, human rights, democracy, international assistance, health care, and economic justice—not on guns and deterrents.

Disarmament is coherent with feminist principles and it is economically strategic. Arms production and profiteering drain public finances to sustain systems of war that facilitate sexual and gender-based violence, human trafficking, and human rights violations—prolonging armed conflict. Autonomous weapons and the militarization of cyberspace magnify these power imbalances. A policy of gender diversity within military institutions is not sufficient to the task of dismantling war-making institutions.

Ending planned procurement of new fighter jets, withdrawing Canada's participation in the U.S.-led F-35 fighter consortium, and cancelling the [Aegis Combat Systems](#) missile defence contract with Lockheed Martin would free up enough public funding to cover much of the new spending in this AFB.

The lifespan cost (over about 30 years) of new jets was [recently estimated](#) to be in the range of \$77 billion,<sup>177</sup> while the initial price of the missile defence system is US\$1.7 billion (CAD \$2.14 billion).<sup>178</sup> Canada has spent an average of \$24 million per year since 1997 [to remain part of the F35 consortium](#), which ensures a discount on eventual purchases of the

long-delayed fighter jet and the chance to bid on potentially lucrative contracts to build and maintain them.<sup>179</sup>

**This AFB cancels the new fighter jet procurement and missile defence purchase, for an estimated saving of \$3.1 billion a year for 30 years (in accrual terms).** This includes the initial purchase cost, the lifespan costs of the jets, and estimated upkeep of the missile defence system. This money will be redirected to enhancements in Canadian official development assistance and to domestic industrial development measures to benefit workers in Canada (*see the Employment and Job Creation chapter*).

This AFB takes the following additional cost-neutral (for government) actions with respect to demilitarization and humanitarian disarmament:

- Canada will follow its own landmine treaty example by advancing international talks on a legal instrument to ban autonomous weapons, and we will join the Treaty on the Prohibition of Nuclear Weapons;
- Canada will end the production and transfer of arms that could lead to human rights and international humanitarian law violations, in keeping with the Arms Trade Treaty and Canadian arms export law;
- Military spending will be decreased annually by the same rate that official development assistance (ODA) is increased, which averages just over \$2 billion per year. Military savings will be redirected to education, health care, human rights, environmental protection, housing, and future-proofing the Canadian workforce through industrial development strategies and skills development, among other initiatives that promote real human security.

**This AFB will increase Canada's international assistance in line with the country's fair share, allocate \$7.7 billion over three years to the global COVID-19 recovery, and invest additional resources in the paid and unpaid care economy.**

Canada fails to live up to its rhetoric on the international stage. The country's contributions are consistently well below its international commitments and the global average for international assistance, it has failed to scale up its refugee acceptance, and it is issuing [permanent residency offers](#) at a declining rate (*see Inclusion and Well-being chapter*).<sup>180</sup>

ODA is increasingly seen as a global public investment in core challenges affecting us everywhere: the climate emergency, economic injustice, global pandemics, and political volatility. Canada has a normative and a strategic imperative to do better.

**This AFB increases Canada’s ODA in a gradual, predictable way over five years, until it reaches 0.7% of gross national income (GNI). In the AFB’s first year, ODA will grow by \$3.3 billion, followed by \$2.2 billion in each of fiscal years 2023–24 and 2024–25, then \$2 billion per year for two more years.** ODA increases after this are tied to GNI.

In an unprecedented global appeal, the International Monetary Fund, the World Bank, the World Trade Organization, and the World Health Organization [have proposed](#) that a global COVID-19 response of US\$50 billion would ensure that therapeutics, screening tools, vaccines, and other medical and para-medical supplies could be equitably deployed to stop the pandemic everywhere.<sup>181</sup>

**This AFB therefore contributes \$2 billion in additional ODA in 2022–23 to the global COVID-19 recovery.** This money supplements already committed financial and in-kind contributions of vaccines and support for technology and knowledge transfer through the COVID Technology Access Pool (C-TAP).

In May 2021, at the Generation Equality Forum, Canada [committed](#) \$100 million in new funding “for stand-alone programming to address issues in unpaid and paid care work in low- and middle-income countries in which Canada provides international assistance.”<sup>182</sup> To address what has been dubbed a “shadow pandemic” of domestic violence, unemployment, and reversals in virtually all areas of gender equality, **this AFB doubles this with a further \$100 million in permanent funding for international investments in the care economy and gender-responsive services.**

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## Trade and investment governance

### A multilateral trade system geared to ensuring shared prosperity for all

A quarter-century of global trade and investment liberalization governed by the WTO and thousands of international free trade and investment agreements has failed to equitably integrate low- and middle-income countries into the global economy. Modest declines in absolute poverty over this time (which [have reversed during the pandemic](#))<sup>183</sup> hardly make up for the staggering ecological damage, rise in inequality and precarious forms of work, stagnating wages, and loss of developmentalist policy space of the “hyper-globalization” era.

**This AFB reorients the World Trade Organization so that it supports a multilateral trade system geared to ensuring shared**

**prosperity for all and the achievement of the UN Sustainable Development Goals, at a minimum.**

This AFB directs Global Affairs Canada to reorient Canadian trade policy at the WTO by taking the following positions:

- **Cease work on the joint statement initiatives (JSIs) on investment facilitation, domestic regulation of services, e-commerce, and micro-, small- and medium-sized enterprises.** South Africa and India have asserted that these exclusive plurilateral negotiations (i.e., involving a limited number of countries and with no official negotiating mandate) lack legal status at the WTO and undermine the body's core architecture. [Global civil society groups](#) also argue the JSIs will primarily benefit multinationals from rich countries at the expense of sustainable industrial development (including support for domestic digital firms and services), public services expansion, and privacy protections (e.g., public sector data localization requirements) in low- and middle-income countries;<sup>184</sup>
- **Set a global floor for labour rights and protections,** as proposed by the International Labour Organization in its Decent Work agenda. Canada, the U.S. and Mexico made progress on strengthening workers' rights and enforcement in the Canada-U.S.-Mexico Agreement (CUSMA) and should build on this in multilateral negotiations at the WTO;
- **Strongly support a package of proposals for greater policy space,** building on the Special and Differential Treatment agenda at the WTO, as the primary focus of near-term WTO negotiations. At the WTO, Canada should no longer support efforts to enforce "transparency and notification" regimes that are difficult for low-income and least-developed countries (LDCs) to meet. Instead, Canada should insist, with the LDCs, on greater transparency in WTO proceedings and negotiations and proper documentation of all meetings;
- **Fully support the proposal from India and South Africa, backed by more than 100 WTO members, to suspend intellectual property rights on COVID-19-related vaccines, treatments, and equipment for the duration of the pandemic.** TRIPS disciplines, which globalize extreme Big Pharma policy preferences in the area of intellectual property rights—to the exclusion of other viable industrial strategies (e.g., based on generic manufacturing)—must be permanently waived for LDCs. To speed up the global recovery from the pandemic, Canada will add vaccines and treatments for COVID-19 and its variants



to Schedule 1 of the Patent Act and co-operate with regulators in developing and least-developed countries on their generic production and export;

- **Negotiate a permanent climate waiver at the WTO** so that countries can pursue rapid decarbonization and environmental protection measures—even measures that encourage domestic job creation, which is essential for a just transition—without fear of provoking a WTO dispute.

### **Withdraw from investment treaties containing investor-state dispute settlement**

The investor–state dispute settlement (ISDS) regime allows foreign firms and investors to bypass local courts and sue countries, sometimes for billions or even tens of billions of dollars, when they feel that a government decision has unfairly hurt their investments or their ability to profit from them. Canada has signed dozens of treaties containing ISDS, but recently agreed to remove NAFTA's ISDS process from the renegotiated CUSMA.

Nearly two-thirds (64%) of all ISDS claims against Canada have targeted environmental or resource management decisions by federal or provincial governments. A greater share of Canadian ISDS cases abroad targets the same kinds of measures. As Chrystia Freeland, then foreign affairs minister, [said at the conclusion of the CUSMA negotiations](#) in 2018, Canada's decision to remove ISDS from the new NAFTA "strengthened our government's right to regulate in the public interest, to protect public health and the environment."<sup>185</sup>

**This AFB directs Global Affairs Canada to begin to phase out ISDS wherever it exists in current trade and investment treaties and to stop negotiating new agreements with ISDS in future**, including with the United Kingdom, the Mercosur pact, and Indonesia. Global Affairs Canada may need additional resources to handle the scale of these international negotiations, but this money would be more than offset by savings in legal costs and potential future settlements of ISDS claims against Canada.<sup>186</sup>

### **Apply a disability lens to the development of international trade policy**

People with disabilities and, in particular, women and people of marginalized genders with disabilities are invisible in Canada's trade policy. For example, as more frequent users of health services and medications, people with disabilities are disproportionately impacted by

provisions in both CUSMA and the Canada-EU Comprehensive Economic and Trade Agreement (CETA) that increase drug prices by extending patent protections, or that encourage and lock in the private delivery of public services, according to a 2004 report commissioned by the federal government.<sup>187</sup>

Applying a disability lens to Canadian trade policy and trade negotiations could lead to better outcomes for people with disabilities, as the government claims it hopes to achieve with respect to women, Indigenous peoples, racialized entrepreneurs, and small- and medium-sized enterprises through its inclusive trade agenda.

**This AFB hires three (3) full-time equivalent (FTE) analysts within Global Affairs Canada to ensure a disability lens is applied to trade policy moving forward.** A further \$1 million is allocated in 2022–23 to assess the impact of existing Canadian trade deals on people with disabilities and to develop the contours of the disability lens in close partnership with people with disabilities and the civil society organizations who represent them.

### **Comply with the UN Declaration on the Rights of Indigenous Peoples (UNDRIP)**

As noted by the Assembly of First Nations, the legal landscape regarding the rights of Indigenous Peoples has changed considerably since the North American Free Trade Agreement came into force in 1994 and the establishment of the WTO the following year. In particular, Canada's unqualified backing of the UNDRIP binds the government to good-faith co-operation with Indigenous Peoples in this country on any policy, legislative, and administrative decisions that affect them, including trade policy.

Consultation with Indigenous Peoples on Canadian trade policy is spotty and does not affirm the rights articulated in the UNDRIP. Many original treaties that were signed by First Nations with European colonizers contained clauses guaranteeing those nations the exclusive right to trade and to the use of resources on their lands.<sup>188</sup> Canada's free trade agreements, on the other hand, primarily protect the rights of multinational capital to exploit and profit from activities (e.g., extractive projects, commercial activities, digital services provision) in Canada, including on unceded and treaty-protected Indigenous lands.

Though the CUSMA does not contain a dedicated Indigenous rights chapter, as requested by the AFN and other Indigenous voices, there is a very clear general exception for any measure that a party "deems necessary to fulfill its legal obligations to Indigenous [P]eoples." This

should cover a state's legal, social, economic, cultural, and moral obligations to Indigenous Peoples, as protected by UNDRIP and treaty law.

While a step forward from NAFTA, this language “will likely nonetheless prove insufficient, since it is left to the parties to voluntarily adopt all its obligations to Indigenous peoples instead of making them mandatory,” states a [collaborative report on the CUSMA negotiations](#) from 2019.<sup>189</sup> Moreover, CUSMA “does not recognize the impacts and disproportionate burden of the global effects of free trade on Indigenous [P]eoples.”

The AFB establishes a permanent Indigenous advisory committee to inform and take part in all Canadian trade negotiations and ensures that there is gender and regional balance among committee members. This committee will be separate from the civil society advisory committee proposed below, in recognition of the equal status of Indigenous Peoples and the crown in Canada.

**This AFB also commits \$60 million over five years to enhance First Nations' capacity to engage and participate in Canadian international trade delegations and in trade negotiations.**

### **A federal trade adjustment program**

Unlike other jurisdictions, notably the United States, Canada does not currently provide dedicated and assured labour market support for trade-impacted workers. Such a program must incorporate a variety of enhanced job retention, income stabilization, and training measures, including greater access to enhanced work sharing, income supplements, retirement incentives, and training and relocation support.

**This AFB establishes a federal trade adjustment program for workers who face job loss, reduced wages, or diminished work hours resulting from increased imports, trade disputes, or other trade-related matters.**

### **A permanent civil society trade advisory committee**

Canada lacks a formal, institutionalized advisory body among civil society actors to inform, assess, and/or contest the outcomes of trade policy and to inform future trade priorities. The U.S. has its Advisory Committee for Trade Policy and Negotiations (ACTPN) to fulfil such a role. The European Economic and Social Committee serves a similar role among the European Union's institutions, advising the European Parliament, Council, and Commission on trade policy and other economic matters.

**This AFB creates an independent Civil Society Trade Advisory Committee** made up of industry, labour and other non-industry civil society organizations to be responsible for providing strategic guidance to parliamentary, ministerial, and departmental officials. The committee will facilitate participatory dialogue on trade policy matters among Canadians as well as study and assess the implementation and social outcomes of trade provisions on Canadian society.

### **Human rights protection in business**

This AFB creates an Office of the Commissioner for Human Rights Protection in Business, as proposed by the Canadian Network on Corporate Accountability and as included in pending legislation on mandatory human rights due diligence. The commissioner is responsible for receiving and reviewing Canadian companies' human rights due diligence reports to ensure they contain the requisite information across all relevant subsidiaries and supply chain relationships. The commissioner's office will also maintain a website where reports will be publicly available. The commissioner may level monetary penalties if companies do not comply with filing requirements.

### **Revise Canada's international regulatory co-operation agenda**

Since 2018, the federal government has funded an extensive regulatory "modernization" agenda to bring Canadian regulatory policy in line with corporate demands for less "red tape" and more coherent regulations between Canada and its trading partners. The 2019 budget allotted new permanent spending of \$3.1 million a year to support the Treasury Board Secretariat's ongoing international and interprovincial regulatory co-operation efforts. The 2021 federal budget spent \$6.1 million over two years to keep a small and non-representative External Advisory Committee on Regulatory Competitiveness going for an additional two years.

**This AFB spends \$1 million a year for two years to expand the regulatory advisory committee** to include at least one representative for labour, public health and the environment to enhance the transparency of current international and interprovincial regulatory co-operation activities. The committee's discussions, along with all intergovernmental meetings of regulators and the private sector that are related to regulatory co-operation, will be meticulously documented and details will be made publicly available on the Canadian government website. This new AFB funding will allow departmental regulators to ensure regulatory

development is not captured by industry lobby groups in Canada or from Canada's trading partners.

**This AFB also redirects Canada's international regulatory co-operation efforts toward combating climate change and enhancing global public health in the wake of the ongoing COVID-19 pandemic.**

No other social or economic challenges are more pressing. With respect to climate change, regulatory co-operation will focus on knowledge, technology transfer, and co-ordinated experimentation to ensure clean energy and manufacturing methods.

**Table 8.1 Costing of Canada and the world items (\$mil)**

<b>Canada and the world</b>	<b>2022-23</b>	<b>2023-24</b>	<b>2024-25</b>
<b><i>International development and foreign policy</i></b>			
Develop a cohesive feminist foreign policy	2	2.5	2.5
Cancel F-35 contract and missile defence contracts	-3,066	-3,066	-3,066
Decrease in military spending	-3,300	-2,200	-2,200
Increase Canada's international assistance	3,300	2,200	2,200
Invest in the care economy and gender-responsive services internationally	50	50	0
<b><i>Trade and investment governance</i></b>			
Apply a disability lens to the development of international trade policy	1.5	0.5	0.5
Trade agreements to comply with the UN Declaration on the Rights of Indigenous Peoples (UNDRIP)	7	6	5
Enhance First Nations' capacity to engage and participate on Canadian international trade delegations and in trade negotiations.	12	12	12
Establish a federal trade adjustment program for workers	80	80	80
Create a permanent civil society trade advisory committee	7	6	5
Create an Office of the Commissioner for Human Rights Protection in Business	10	10	10
Expand regulatory advisory committee to focus on climate change	1	1	0



## Chapter nine

# A path to a fairer tax system

The question is not whether we can pay for it  
but how do we pay for it?

**F**OR TOO LONG, Canada has pursued a low-tax agenda at the expense of public services, income support, infrastructure renewal, health prevention efforts, worsening income and wealth inequality, and emergency preparedness. The COVID-19 pandemic, however, prompted federal government spending on par with the scale of the new challenges to the health care system, the labour market, and the economy. As a result, the federal government has incurred a larger-than-normal deficit for all the right reasons. Canada needed leadership in this time of crisis—it helped save lives and prevent personal financial failure. With deficits, there can be political pressure to cut public spending, but that would be the wrong way to go for many reasons, not the least of which is the ongoing need for federal government leadership as Canada continues to navigate a global pandemic with many uncertainties.

This AFB lays out a comprehensive path toward a more inclusive and equitable recovery from the pandemic as well as plans to learn from our experience, prepare for future crises, and invest in measures that are desperately needed to mitigate the climate emergency. This is a once-in-a-generation opportunity to invest in the things that will make Canada and the planet more sustainable. The question is not whether we *can* pay for it, but rather, *how do we pay for it?* In this chapter, we have a detailed plan to restore progressiveness to Canada's tax system and create a fairer version that will ensure the long-term affordability of significant program spending to reduce the social inequities exposed by the pandemic.

Our proposals include a suite of options to implement a wealth tax, close tax loopholes, tackle tax dodging and increase transparency, address the housing crisis, and strengthen climate action with more effective pricing of pollution.



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## Make the tax system more progressive

Federal and provincial governments have cut taxes for wealthy individuals and corporations so much over the past few decades that, when all taxes are considered, the top 1% pays a lower overall rate of tax than all other income groups, including the poorest 10%.<sup>190</sup> A June 2021 [ProPublica investigation](#) showed that many billionaires in the U.S. didn't pay any income tax in some years; this is likely true of Canadian billionaires as well. We need to restore progressivity to our tax system by increasing tax rates on wealthy high-income individuals and large profitable corporations while ensuring that Canadians with lower levels of income and wealth receive the benefits to which they're entitled.

**Annual wealth tax.** Canada's top billionaires have increased their wealth by almost \$100 billion during the pandemic. In its 2020 speech from the throne, the federal government promised to explore ways to tax extreme wealth inequality, but it hasn't done anything yet. The only way to address this problem of excessive accumulation of wealth by those who are already among the wealthiest is to implement a new wealth tax. Using figures from the Parliamentary Budget Officer (PBO), we estimate that a modestly progressive wealth tax of 1% for wealth over \$10 million, 2% for wealth over \$100 million and 3% for wealth over one billion would generate close to \$20 billion annually.<sup>191</sup>

**Revenue: \$19.8 billion**

**Pandemic super profits tax.** Among 111 large Canadian corporations analyzed in a recent study, one-third were enjoying record profits during the pandemic.<sup>192</sup> During the world wars, Canada and other nations introduced excess profits taxes of up to 80% for profits that were higher than what were considered to be "normal profits." The PBO calculated that a 15% tax on corporations that had higher than usual profits during 2020 would generate almost \$8 billion.<sup>193</sup>

**Revenue: \$8 billion**

**Recover the wage subsidy from particularly profitable corporations.** Several large corporations took advantage of the Canada Emergency Wage Subsidy (CEWS, which was intended to help Canadian employers cover employee wages) to increase their profits, provide dividends to shareholders, and pay excessive compensation and additional bonuses to their executives. When the CEWS was first announced, we called for it to have much stronger conditions, including a prohibition on stock buyback, executive bonuses, [golden parachutes](#), and shareholder dividend payouts and a provision to tax monies back from the companies that didn't ultimately need them.<sup>194</sup> The AFB will recover these

funds from businesses with revenues over the small business deduction level.

**Revenue: \$50 million**

**Restore corporate tax rates.** Decades of corporate tax cuts have cost federal and provincial governments hundreds of billions of dollars, yet they have failed to boost jobs and economic growth.<sup>195</sup> The PBO estimated that every percentage increase in the general corporate tax rate leads to an increase in revenue of \$1.6 billion. Therefore, restoring Canada's general rate from 15% to 20% and restoring the small business rate from 9% to 12% would generate about \$10 billion annually.<sup>196</sup>

**Revenue: \$10 billion**

**Introduce a minimum corporate tax.** Many large corporations manage to pay no tax or to receive tax refunds, even when they report profits to their shareholders. Similar to proposals by U.S. President Biden, the AFB will introduce a minimum corporate tax of 15% on book income for large corporations with income over \$1 billion.<sup>197</sup>

**Revenue: \$1 billion**

**Introduce automatic tax filing.** Too many low-income and vulnerable people don't receive benefits to which they are entitled. Automatic tax filing will help address this problem while reducing the considerable time and money spent by Canadians filing their taxes each year. The federal government committed to introducing automatic tax filing for low-income Canadians—a critical proposal that should be combined with additional forms of support, including education and outreach, community volunteer tax programs, and access to timely information and assistance.

While there wouldn't be ongoing costs, a significant initial investment would be needed to get this new system up and running.

**Cost: \$100 million**

**Capital tax on large corporations.** Historically, federal and provincial governments in Canada had a broader system of capital taxes on corporations akin to wealth taxes on individuals. Unfortunately, over the past few decades these have been whittled away, under pressure from businesses.<sup>198</sup> In the absence of a strong system of capital taxes, corporations have amassed hundreds of billions of dollars in excess cash, which they are not investing into the economy.

The federal corporation capital tax is currently limited to financial institutions with over \$1 billion of capital employed, and it can be reduced according to the amount of income tax they pay. Provincial capital taxes can also be used to reduce federal corporate income taxes.<sup>199</sup> So while these taxes still exist on paper, they do little or nothing to increase taxes

paid by corporations. The AFB will strengthen this tax by expanding its base, raising rates, and eliminating exemptions.

**Revenue: \$1 billion**

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## Close tax loopholes

Most of Canada's tax preferences and loopholes primarily benefit individuals with higher incomes and large corporations. This contributes to persistent wealth, racial, and gender inequality.<sup>200</sup> The federal government could generate an additional \$30 billion annually by eliminating or tightening some of the regressive loopholes, which would also generate significant revenue for provinces, where the provincial tax systems use the federal base.

**Increase the inclusion rate on personal and corporate capital gains.** While ordinary Canadians pay the full tax rate on their employment income, those who accumulate income from investments or business pay tax at only half of that rate. This unfair arrangement causes the wealth gap to widen and costs the federal government over \$20 billion annually.<sup>201</sup> U.S. President Biden has announced that he plans to tax capital gains at the full rate for millionaires. Canada should follow suit. Unfortunately the initial years of this change will bring in much less as the wealthy incur their capital gains prior to the implementation of the new rate.

**Revenue: \$20 billion**

**Introduce a financial activities tax.** Most financial services were excluded from having to pay the GST, which constitutes an unfair tax preference that has benefited that sector. A decade after [Occupy Wall Street](#), the finance and insurance industries continue to benefit from decades of corporate tax cuts and preferential tax rates, which has allowed them to remain profitable throughout financial crises, including the COVID-19 pandemic. Canada's biggest banks and insurance companies topped the list of large corporations that made profits during the pandemic. A Financial Activities Tax on the compensation and profits of the financial sector, as proposed by the International Monetary Fund (IMF), would effectively serve as a tax on the financial sector's added value, and it would generate about \$10 billion annually.<sup>202</sup>

**Revenue: \$10 billion**

**\$1 million cap on corporate pay business deductions.** Executive and other high-level compensation continues to escalate.<sup>203</sup> Even so, Canadian corporations are allowed to deduct this growing compensation from their income for tax purposes whereas there's a million dollar limit

per executive in the United States. The AFB will follow suit by limiting this tax-deductible expense to \$1 million per employee. This action will send a signal to corporations and will save the federal government hundreds of millions of dollars annually.

**Revenue: \$500 million**

**Cap TFSA at a lifetime level of \$70,000.** Budget 2021–22 must look beyond the next several years to consider the significant long-term costs of not placing limits on the Tax-Free Savings Account (TFSA). An unlimited TFSA constitutes a loophole that primarily benefits higher-income Canadians. Capping this loophole may not generate significant revenue now, but within a decade it will save the federal government billions of dollars annually.

**Revenue: \$150 million**

**Limit the dividend tax credit.** The dividend tax credit is intended to compensate shareholders for the income tax that corporations pay. However, many corporations pay very little in corporate tax and half of the benefits go to the top 1%. Limiting the dividend tax credit to the tax actually paid would save the federal government \$1 billion annually.<sup>204</sup>

**Revenue: \$1 billion**

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## Tackle tax dodging and increase transparency

Canada loses at least \$10 billion annually to international corporate tax dodging, and the actual amount could be at least twice that, according to the Parliamentary Budget Officer.<sup>205</sup> International tax dodging costs billions in the form of lower revenue. Moreover, it worsens inequality and creates an unfair business environment in which large multinational corporations have a significant tax advantage over smaller firms. Instead of lagging behind other countries on reforms, we should be leading domestic and international reforms.

**Clamp down on widely used tax-dodging schemes.** For many years, the OECD has called for countries to restrict widely used corporate tax dodging schemes, but Canada has been a laggard in doing so. The federal government should finally clamp down on these schemes. This could include restricting interest deductibility to no more than 20% of corporate earnings and placing strict limits on the use of intellectual property to shift profits to low-tax jurisdictions.<sup>206</sup> The federal government should also terminate the numerous agreements signed in recent years

that allow tax-free repatriation from tax havens of income that hasn't been taxed in either country.

**Revenue: \$2.5 billion**

**Invest in the Canada Revenue Agency.** The AFB will invest additional resources in the Canada Revenue Agency (CRA) to support efforts to investigate, enforce, and prosecute circumstances of corporate and offshore tax dodging; and to increase penalties against corporations and wealthy individuals that evade taxes as well as the professional accounting and legal firms that promote evasion. The PBO estimated a payback of over \$4 for every extra dollar invested in the CRA.<sup>207</sup>

**Revenue: \$3.4 billion**

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## Address the housing crisis

Housing is a basic necessity and a human right. Yet it is treated as a lucrative business in Canada, and not a public good. The result is a low supply of affordable housing, rental units in particular. A main cause of this problem is a troubling concentration of landlords, as the 20 biggest landlords in Canada owned an estimated 20% of all rental suites in 2017. Most of these landlords are Real Estate Investment Trusts (REITs), described as “financial vehicles that manage assets on behalf of investors.”<sup>208</sup>

**Rein in the REITs.** REITs have taken over an extraordinary number of previously affordable multiple-unit apartment buildings and they have been hiking rent beyond guidelines to the point where, in many cases, units are no longer affordable. Moreover, REITs don't have to pay much, if any, tax on profits that are flowed through to their unit holders. This unfair tax preference has helped REITs aggressively expand, which, when combined with big rent hikes, has significantly reduced the supply of affordable housing.<sup>209</sup> The AFB aligns with ACORN Canada's call for the federal government to eliminate this tax exemption or at least tie it to increasing the supply of affordable housing.

**Revenue: \$120 million**

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## Strengthen climate action with more effective pricing of pollution

COVID-19 isn't the only threat to Canada's health and economic well-being. Much bolder action is needed to combat the climate emergency and move toward a just transition.

**End fossil fuel subsidies.** It is hypocritical to champion climate action while continuing to provide tax and other subsidies for industries that pollute. The federal government should eliminate all public subsidies for fossil fuels and divert that revenue into just transition initiatives.<sup>210</sup>

**Revenue: \$300 million**

**Strengthen the carbon tax framework by eliminating preferences for large emitters and introducing a carbon border tax.** Large emitters are responsible for over 40% of total emissions in Canada, but they pay less than 6% of carbon price revenue.<sup>211</sup> A consistent carbon tax should be applied to all emissions from large emitters. Canada should also introduce carbon tariffs on imports from countries that are not taking adequate climate action and rebates to Canadian exports to those countries. These measures would make Canadian industry more competitive and would increase the federal government's revenues by approximately \$3 billion annually.

**Revenue: \$3 billion**

**Table 9.1 Costing of tax system items (\$mil)**

<b>Fairer tax system</b>	<b>2022-23</b>	<b>2023-24</b>	<b>2024-25</b>
<b>Taxation</b>			
Implement a wealth tax	-19,800	-19,800	-19,800
Create a pandemic super profits tax—15% on corporations with higher than usual profits	-8,000	0	0
Recover wage subsidy from high-profit corporations	-50	0	0
Increase corporate income taxes from 15% to 20%	-7,870	-8,177	-8,479
Increase small business tax rate from 9% to 12%	-2,271	-2,360	-2,447
Implement a minimum corporate tax rate of 15% on income over \$1 billion	-1,000	-1,000	-1,000
Introduce automatic tax filing	100	0	0
Capital tax on large corporations	-1,000	-1,000	-1,000
Increase inclusion rate on personal and corporate capital gains	-10,788	-16,181	-22,229
Financial activities tax	-10,000	-10,200	-10,404
Limit corporate deductibility for executives making over \$1 million	-500	-500	-500
Lifetime cap on TFSA contributions at \$70,000	-130	-150	-170
Reform the dividend tax credit	-1,000	-1,000	-1,000
Clamp down on widely used tax-dodging schemes	-2,500	-2,500	-2,500
Invest in CRA investigations, auditing and enforcement	850	850	850
Revenue from increased investigations	-3,400	-3,400	-3,400
Eliminate the REIT tax exemption	-120	-120	-120
Eliminate fossil fuel subsidies	-300	-300	-300
Apply carbon tax to large emitters and implement carbon border tax	-3,000	-3,000	-3,000



## Chapter ten

# Economic and fiscal projections

One is not possible without the other:  
a surplus in one sector requires another sector to be in deficit.



**T**REMENDOUS EFFORTS BY governments during the initial year of the COVID-19 pandemic forestalled the worst of the economic effect that could have befallen Canadians.

Most of the heavy lifting came from the federal government, as it shouldered 84% of the cost for all direct COVID-19 measures across Canada.<sup>212</sup> When looking at support for businesses and individuals, the federal contribution is even more stark, with 93 cents of every dollar coming from the federal government.

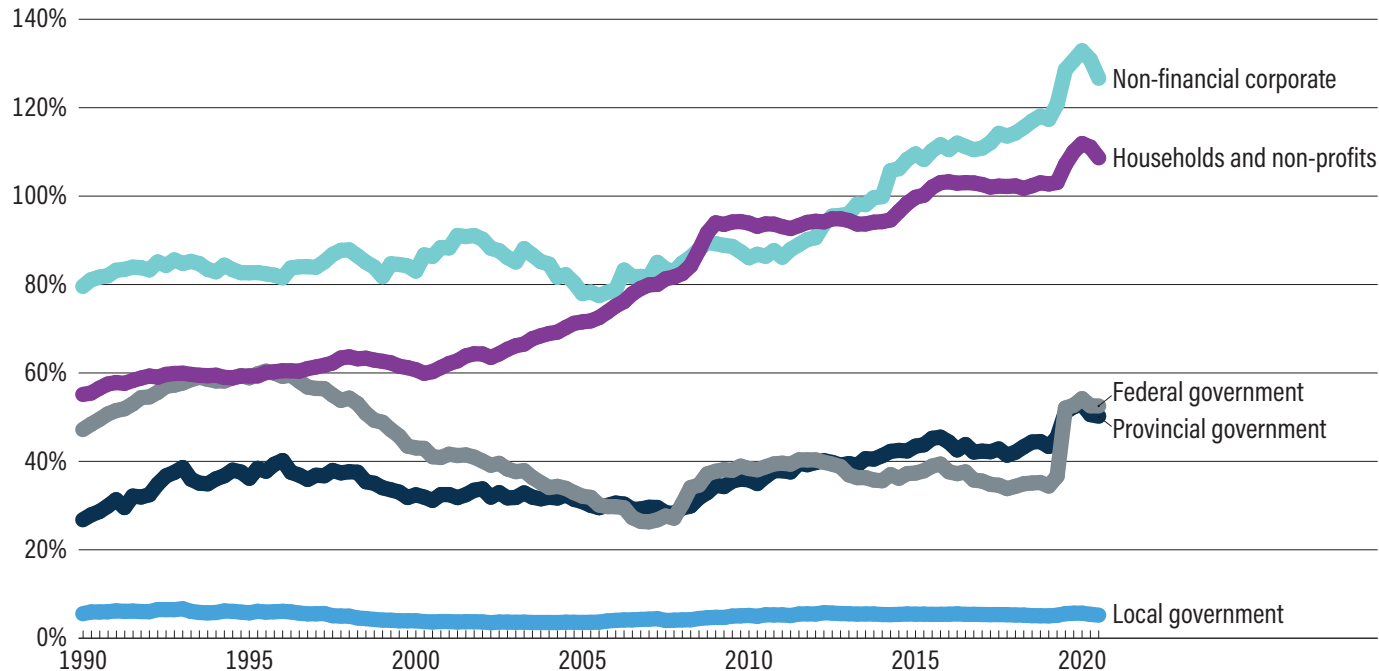
The resulting impact on federal finances is clear: the federal government's deficit and debt in 2020–21 were historically high. Overall, provincial and territorial debt also climbed, as revenues fell and additional smaller programs were stacked upon federal ones. On the one hand, while federal debt rose by 20 points compared to GDP, it remains below all-time highs and isn't likely to rise in the coming years, as we'll see below.

On the other hand, the private sector continues to maintain higher debt levels. The household sector's debt-to-GDP ratio, which had been stable at roughly 100% of GDP for some time, spiked to over 112% in 2020 (although this was in part due to falling GDP).

More recent slower growth and higher nominal GDP have meant a slight decline in Q2 of 2021. This higher household debt is being exclusively driven by higher mortgage debt. Non-mortgage loans have stayed relatively constant and consumer credit has slightly decreased since the start of the pandemic. A house price boom during the pandemic, combined with the substantial uptake of mortgage deferral programs, drove overall mortgage debt through the roof in 2020.

The corporate sector's continued debt binge also accelerated during the pandemic. It had been on an upward trajectory since 2012, rising from 88% to 127%, according to the most recent data. There had been a slight reduction in outstanding corporate bonds, particularly in the first quarter of 2021, but new issues appear to be gaining steam again.

Figure 10.1 Debt-to-GDP by sector



Source: Statistics Canada tables 36-10-0580-01, 36-10-0103-01 and author's calculations

Record federal government pandemic transfers to families, particularly low-income families, likely decreased the poverty rate during 2020.<sup>213</sup> Record-low interest rates enticed households and businesses to take out larger loans. Despite the increase in federal debt, it remains at a much lower debt level than the private sector.

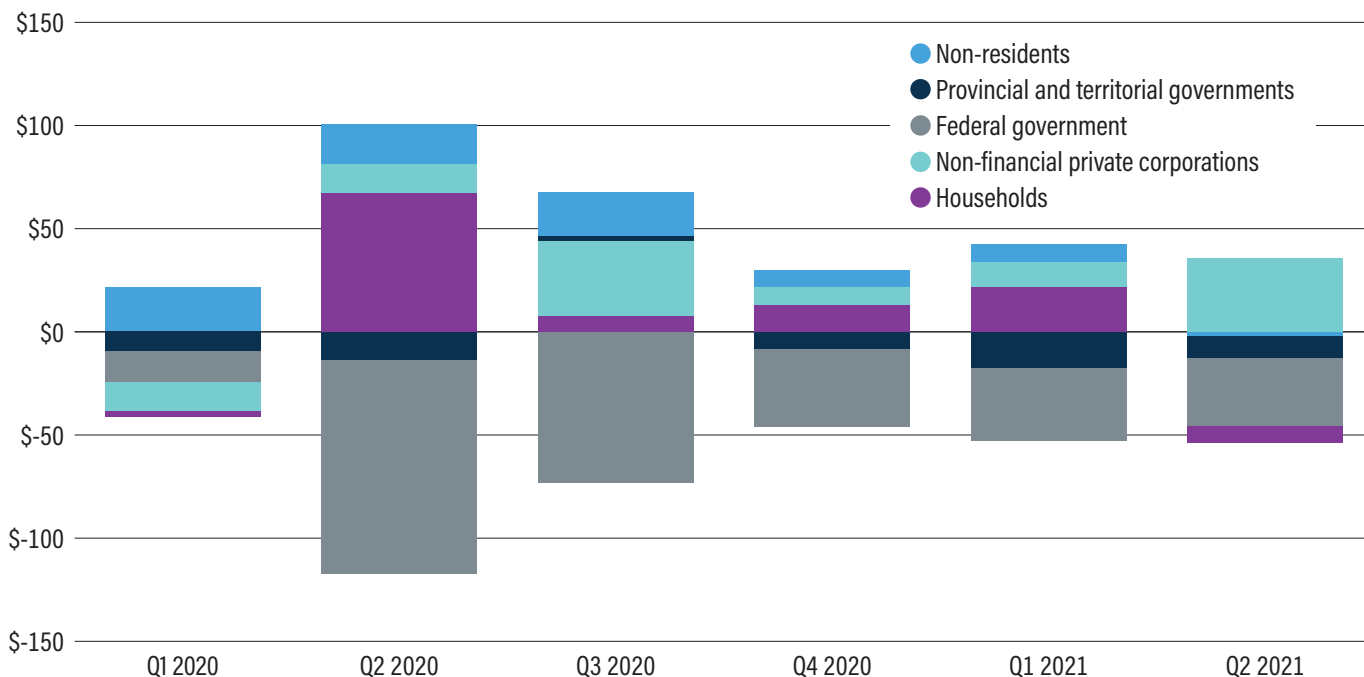
Deficits and surpluses are often discussed as moral concepts: deficits are inherently “bad” and surpluses are inherently “good.” The trouble with this simplistic moralizing is that one is not possible without the other: a surplus in one sector requires another sector to be in deficit. Figure 10.2 illustrates this fact in that the sum of the five major sectors’ surpluses and deficits in any given quarter equals zero.

Furthermore, to evaluate the utility or adverse effects of a deficit, one has to understand where it created its corresponding surplus. For instance, without federal pandemic spending, much of the deficit would have been in the private and corporate sectors, further straining households and businesses.

The single largest federal deficit of the pandemic was registered between March and June 2020, with \$104 billion transferred in those three months alone. At that time, the primary beneficiaries were households receiving \$67 billion. This was due to the rapid creation of the CERB, as

Figure 10.2 Pandemic deficit and surpluses by sector

\$Billions



Source Statistics Canada table 36-10-0578-01

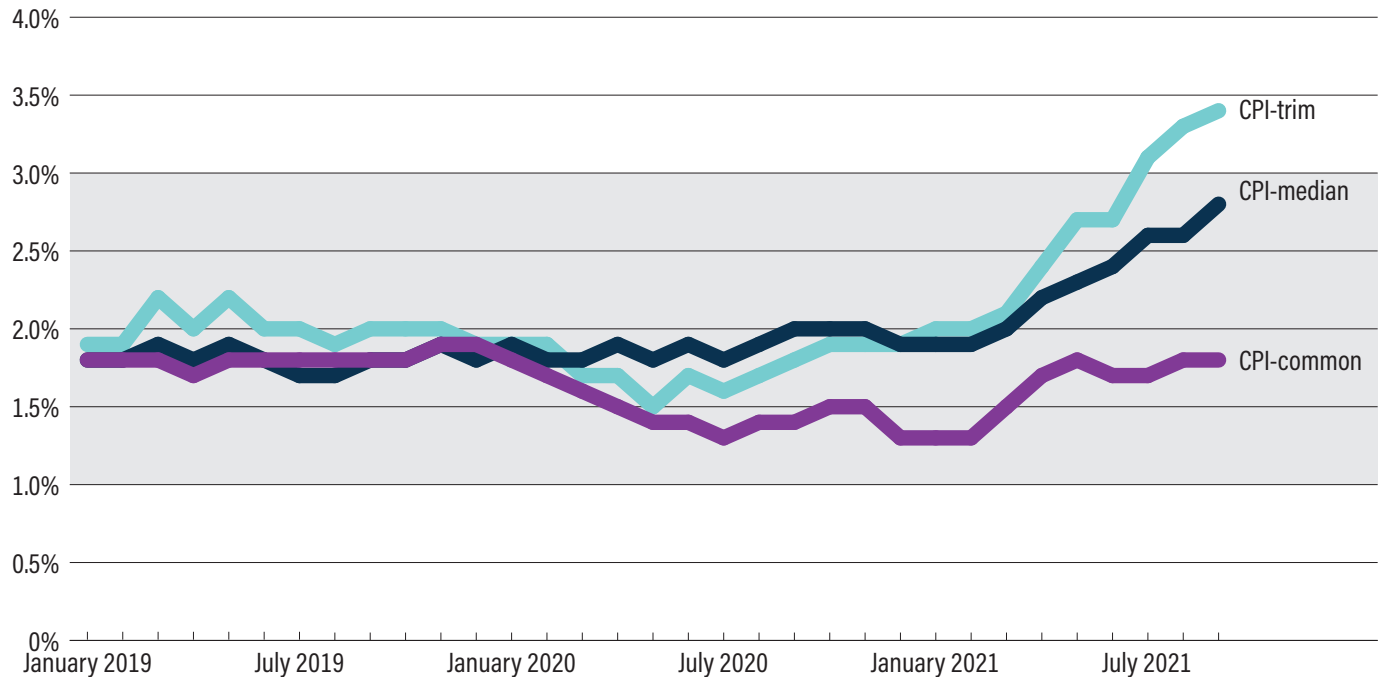
well as various one-off transfers to anyone receiving pre-existing federal transfers (like CCB, for example). Non-residents had a surplus of \$21 billion, with corporations getting \$14 billion in that quarter.

By the third quarter of 2020, the corporate sector was showing the largest surplus, likely as the kinks were ironed out of the CEWS and other business support programs. The household surplus fell after that initial high. By the most recent quarter, households were back into a deficit situation, as they'd been for basically every period going back to the mid-1990s.

The corporate sector has remained in a surplus position up to the most recent quarter. At the start of the pandemic federal, and to some degree provincial, deficits created surpluses primarily for households. As the pandemic evolved, those government deficits have come to support corporate surpluses—a possibly worrying trend if business supports continue.

As prices in some areas have soared with some renewed economic growth in the summer of 2021, much attention has been paid to rising inflation. The Bank of Canada doesn't use the raw all-item consumer price index. Instead, it generates three of its own measures, reproduced

Figure 10.3 Bank of Canada inflation measures



Source [Bank of Canada](#)

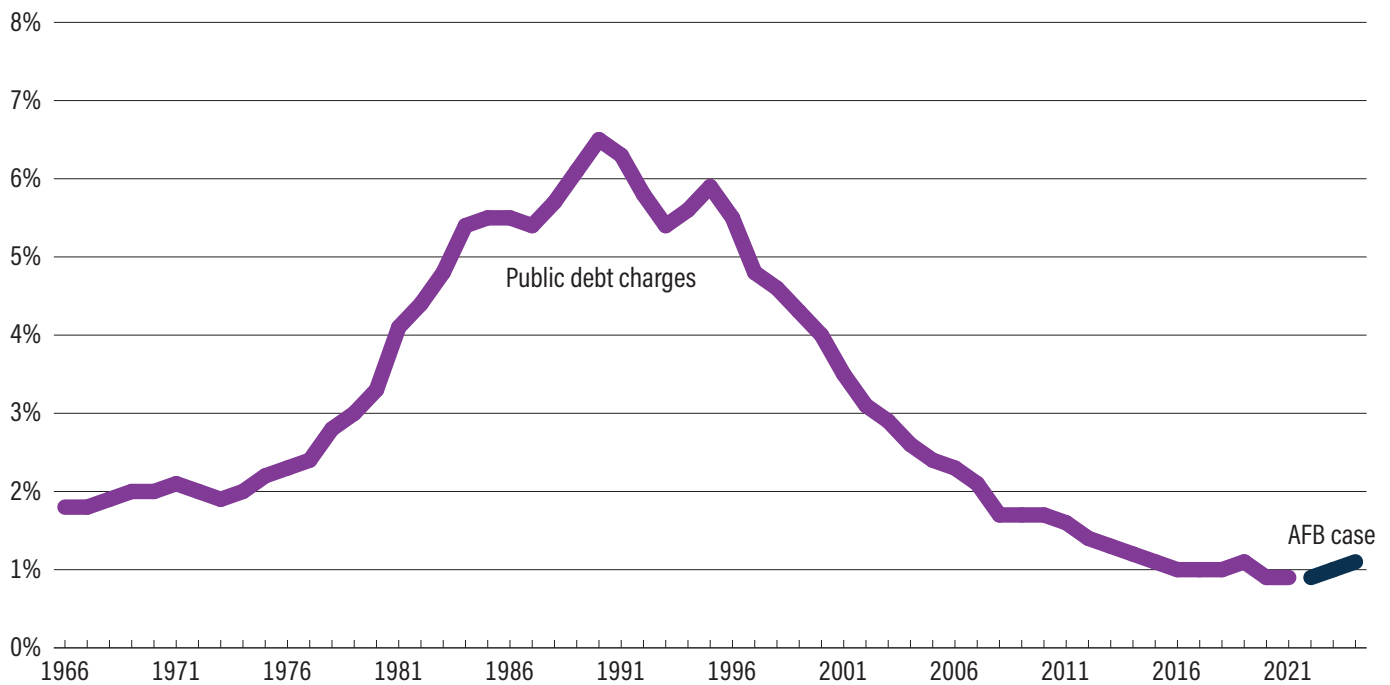
in Figure 10.3. While the Bank officially wants those measures to be in a range from 1% to 3%, the midpoint being 2%, in practice, the 2% target is not a midpoint but the ceiling.

In every month since January 2000, the Bank's measures have only been above the midpoint between 21% and 27% of the time, depending on the measure. The other three quarters of the time, they have been below the midpoint of 2%. If the midpoint was truly meant to be the midpoint, the probability of being above it or below it would be roughly 50%, not, at most, 27%. As of the most recent month, only one of the measures, the CPI-trim, is outside of the desired range and it has only been in that range for two months. The other two measures remain within the desired range.

While inflation is currently higher than familiar and expected increases, these have mostly returned the CPI to its long-term trend after several months of depressed prices during the pandemic. Additionally, inflation has risen by similar amounts for many of Canada's allies, as most persistent price increases are due to issues in the global supply chain. Neither government spending nor Bank of Canada interest rates can be blamed for most recent inflation.

## Figure 10.4 Federal debt service cost

Federal public debt charges as percentage of GDP



Source 2020 Fiscal reference tables, Budget 2020 and Budget 2021

In other words, the inflation rate effectively remains within the 1% to 3% range set out by the Bank of Canada.

One of the most important factors in the record deficits set during the pandemic has been the rock-bottom interest rates that financed it. As shown in Figure 10.4, federal debt service-to-GDP fell to a record low of 0.9% in both 2020–21 and 2021–22. In no time since at least the 1960s has the federal government paid this little (adjusted for the economy's size) to carry the national debt and those figures include all of the pandemic support. For all the deficit hysteria of the past, debt is becoming radically cheap to carry. The government has managed historic support for business and individuals at the same time as funding most provincial COVID-19 health costs and paying less in interest costs than it did at any point in the past 60 years (adjusted for GDP).

The AFB, despite substantial additional federal spending, does little to change this situation, as shown in Figure 10.4.

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## The Base Case

The Alternative Federal Budget, like federal budgets, includes all measures in previously passed legislation. In this case, the AFB includes all items that were already passed in Budget 2021. While parties in the fall 2021 election have proposed many things, none of those items have been passed by Parliament. Moreover, since this isn't a majority government, what will eventually be implemented in the next legislative session is even less clear. As such, nothing from election platforms has been included in this costing of the AFB. In that sense, this AFB is a plan for the new federal government and is based on what happened before the election.

The base case of this AFB comes from the Parliamentary Budget Officer's August 2021 Election Baseline.<sup>214</sup> Given fast moving economic news, the April 2021 federal budget's estimates are out of date. This AFB estimates are built upon the PBO estimates as its base case.

Strong economic growth is expected in 2022 and 2023, as the pandemic's drag on economic growth is lifted. However, that growth slows down by 2024 and beyond. Federal deficits for 2022 are projected to decline rapidly until 2025 without further action. Strong growth means that the debt-to-GDP ratio will decline in coming years.

Table 10.2 represents the aggregate impact of all costed items in the AFB, as detailed in Table 10.3. The complete AFB is in addition to the base case presented in Table 10.1. Broadly speaking, this AFB plans a substantial increase in federal expenditures, up to 17.4% of GDP by the third year—a level that it was at during the 1970s and 1980s in Canada. However, new revenue measures are also implemented to have those who did the best economically during the pandemic contribute more to federal programs. Federal revenue-to-GDP moves upward to almost 18% of GDP—a level similar to the late-1980s and early-1990s.

The AFB would not shift the federal deficit onto another sector. Many years of low federal deficits and high household deficits have resulted in unbalanced debt holdings in Canada. This now means that the private sector holds far too much debt, for which it pays a much higher interest rate, which threatens future economic growth. As such, the AFB maintains federal deficits in order to create surpluses in the household sector. The cost of federal debt is historically low, with debt-service-to-GDP remaining at or below 1.1% of GDP—something not seen in Canada since at least the 1960s.

While Table 10.2 looks exclusively at the financial impacts of the AFB, its employment impacts are also substantial, with the creation of almost 650,000 jobs by the third year. These jobs would be specifically related to

**Table 10.1 Base case (PBO)**

<b>Macroeconomic indicators (mil)</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>	<b>2025</b>
Nominal GDP	\$2,501,000	\$2,679,000	\$2,783,000	\$2,886,000
Real GDP growth	6.1%	4.2%	1.9%	1.6%
GDP inflation	6.9%	2.7%	2.0%	2.1%
Nominal GDP growth	13.4%	7.1%	3.9%	3.7%
<b>Employment</b>				
Employed (000s)	18,862	19,511	19,699	19,774
Employment rate	60.2%	61.6%	61.6%	61.2%
Unemployed (000s)	1,551	1,201	1,124	1,129
Unemployment rate	7.6%	5.8%	5.4%	5.4%
<b>Budgetary transactions (mil)</b>				
	<b>2021-22</b>	<b>2022-23</b>	<b>2023-24</b>	<b>2024-25</b>
Revenues	\$367,200	\$394,500	\$415,300	\$433,800
Program spending	\$483,700	\$413,700	\$423,300	\$426,200
Debt service	\$21,700	\$23,500	\$27,500	\$32,400
Budget balance (surplus/deficit)	-\$138,200	-\$42,700	-\$35,500	-\$24,800
Closing debt (accumulated deficit)	\$1,194,100	\$1,236,800	\$1,272,300	\$1,297,100
<b>Budgetary indicators as a percentage of GDP</b>				
Revenues/GDP	14.7%	14.7%	14.9%	15.0%
Program spending/GDP	19.3%	15.4%	15.2%	14.8%
Budgetary balance/GDP	-5.5%	-1.6%	-1.3%	-0.9%
Debt/GDP	47.7%	46.2%	45.7%	44.9%

**Source** Parliamentary Budget Officer, 2021 Election Proposal Costing Baseline, Tables 1 and 2

AFB measures in the aggregate and wouldn't be related to the recovery in general. The Employment and Job Creation chapter examines those aggregate impacts in greater detail.

The new expenditures in the AFB are not focused in one area alone but span several critical areas of pandemic recovery.

The largest new AFB supports are for provincial health care programs, through a substantial increase in health care transfers to the provinces to cover 35% of all health care costs, as requested by the provinces. As well, the AFB commits to \$11 billion a year in national pharmacare and \$6 billion over three years to national long-term care standards.

New income supports, building on the lessons learned in the pandemic via CERB, are an important part of the AFB. It would implement a livable income of \$5,000 a year for all adults of working

**Table 10.2 AFB plan**

	2021-22	2022-23	2023-24	2024-25
Nominal GDP (mil)	\$2,501,000	\$2,700,000	\$2,844,000	\$2,954,000
Nominal GDP growth	13.4%	8.0%	5.3%	3.9%
<b>Revenues (mil)</b>				
Base case	\$367,200	\$394,500	\$415,300	\$433,800
Net AFB revenue measures		\$72,000	\$69,900	\$76,600
Additional tax revenue due to higher GDP		\$4,200	\$11,700	\$15,700
Total	\$367,200	\$470,700	\$496,900	\$526,100
<b>Program spending (mil)</b>				
Base case	\$483,700	\$413,700	\$423,300	\$426,200
Net AFB program measures		\$66,700	\$78,200	\$86,500
Total	\$483,700	\$480,400	\$501,500	\$512,700
Debt service	\$21,700	\$23,400	\$27,300	\$32,000
Budget balance (surplus/deficit)	-\$138,200	-\$33,100	-\$31,900	-\$18,600
Closing debt (accumulated deficit)	\$1,194,100	\$1,227,200	\$1,259,100	\$1,277,700
<b>Budgetary indicators as a percentage of GDP</b>				
Revenue/GDP	14.7%	17.4%	17.5%	17.8%
Program spending/GDP	19.3%	17.8%	17.6%	17.4%
Budgetary balance/GDP	-5.5%	-1.2%	-1.1%	-0.6%
Debt/GDP	47.7%	45.5%	44.3%	43.3%

age and introduce the Canada Disability Benefit of \$11,000 a year. Major improvements in EI would also go into effect, such as a \$500 weekly floor on benefits and making the federal government a regular contributor to the EI fund.

Major new infrastructure projects would also support new economic growth. These would be in Indigenous communities, with over \$8 billion distributed over three years. Cities would be transferred a full point of the GST revenue, which is worth \$27 billion over three years. Affordable housing would be a focus, with over \$13 billion distributed in the next three years.

Table 10.3 contains a complete list of AFB programs, which are elaborated on in more detail throughout the document. All of the measures in this table are possible without any particular economic constraints. Rather, the constraints are purely political and further reflect the basis of the AFB, which is that budgets are about choices.



**Table 10.3 AFB 2022 actions (all figures in \$M)**

<b>Income security</b>	<b>2022-23</b>	<b>2023-24</b>	<b>2024-25</b>
<b>Poverty</b>			
Create the Canada Livable Income for those 18-62 (net of CWB cancellation)	5,470	5,744	6,031
Maintain CWB benefits for parents for the next five years	886	600	500
Create a Canada Disability Benefit (net of Disability Tax Credit cancellation)	909	4,000	6,600
Expand GIS to age 63 instead of boosting OAS	1,646	2,323	2,474
Cancel the OAS boost for those aged 75 and older	-1,660	-2,343	-2,495
Increase provincial social assistance income by 10% via Canada Social Transfer	2,040	2,040	2,040
<b>Employment Insurance</b>			
Establish uniform EI entry of 360 hours or 12 weeks (down from 420 hrs)	180	180	180
Set a permanent 50 week maximum for EI Regular Benefits	500	2,000	2,000
Waive the one-week waiting period for claims	230	230	230
Give new prominence to the EI Work Sharing Program	100	100	100
Cease counting severance against an EI claim	100	100	100
Harmonize EI max insurable earnings to new CPP level	53	53	53
Retain \$500/wk floor on EI benefits	1,900	1,900	1,900
Restore EI Special benefits for migrant premium payers	18	18	18
Federal funding of \$1 bil for every 1% over an unemployment rate of 4%	2,500	2,200	2,000
<b>Catching those left behind</b>			
Reduce OAS residency requirement to three years	1,430	1,430	1,430
Allow refugee children access to the Canada Child Benefit	160	160	160
Allow federal benefits to be distributed outside the tax system	100	100	100
Provide CERB repayment amnesty for those in poverty	822	0	0
Introduce a \$3,500 exemption for additional CPP income from the GIS clawback	50	75	100
<b>Social infrastructure</b>			
<b>Long-term care</b>			
Establish a National Care Economy Commission	5	5	0
Move LTC and community care funding towards 2% of GDP	337	663	1,000
Establish national standards so that seniors' care is universal, public, comprehensive, accessible and portable	1,175	2,350	2,421
Establish a long-term care labour force strategy	500	0	0
<b>Child care</b>			
National \$10-a-day child care	4,906	6,208	7,237
Funds in the fiscal framework	-4,906	-6,208	-7,237
<b>Gender-based violence</b>			
Expand access to domestic violence leave to 10 paid days and 10 unpaid days in federally regulated sectors	20	20	20
<b>Indigenous women</b>			
Expedite process for eligible Indigenous women to register their children under changes in the Indian Act	71	407	407

### *Post-secondary education*

Establish a dedicated Post-Secondary Transfer separate from the Canada Social Transfer	3,000	3,090	3,183
Establish a federal post-secondary education secretariat.	4	4	4
Fund investigator-led research in Canada	185	185	185
Increase support for and collection of vital data on the post-secondary sector through Statistics Canada (at a cost of \$5 million per year)	5	5	5
Cancel Canada Education Savings Program and Canada Learning Bond	-1,386	-1,436	-1,486
Eliminate the federal tuition tax credit	-1,310	-1,469	-1,649
Eliminate the student loan interest tax credit	-34	-40	-41
Cancel Canada Training Credit	-210	-230	-815
Eliminate interest on federal student loan debt permanently	0	550	578
Make permanent the doubling of the Canada Student Grant	0	1,872	1,872
Create additional 1,250 Canada Graduate Scholarships	25	25	25
Increase funding for Indigenous post-secondary education	575	650	650
Provide better regulation of international student recruitment	20	20	20

### *Arts and culture*

Support the generation and publication of disaggregated community level data to address the needs of cultural sector stakeholders	10	10	10
Double Canada Council for the Arts—Digital Strategy Fund to support online content creators	85	85	85

### *Non-profits and charities*

Create a sector stabilization fund of at least \$3 billion to support direct operational costs and needed investments in adapting and modernizing program delivery	1,500	1,500	0
Increase the 2SLGBTQ+ Capacity Building Fund	25	25	25
Extend Enabling Accessibility Fund beyond 2022–23	0	50	50
Establishing a non-profits and charities secretariat within Innovation, Science and Economic Development Canada	4	4	4
Reinstatement of the National Survey of Non-profit and Voluntary Organizations	6	2	2
Statistics Canada to provide annual updates to the Satellite Account of Non-profit Institutions and Volunteering	1	1	1

### **Health equity** **2022-23** **2023-24** **2024-25**

#### *Health care*

Framework for governance based on policy impact quality of life, health and sustainability of the planet	2.7	2.7	2.7
National inquiry on COVID-19 and health equity.	3	3	0
Create Canada Sickness Benefit (10 paid sick days per year for all workers)	750	750	750
Develop national standards for virtual care	33	33	33
National response to the ongoing drug opioid poisoning and overdose crisis	255	255	5
National initiative to address stigma and discrimination in health care	45	30	0
Boost Canada Health Transfers to cover 35% of total provincial health care costs	6,812	13,625	20,437
Invest in Community Health Centres	500	500	500
Hire 1,000 social prescribing navigators	100	100	100
Development of a Canadian Public Health Act	5	0	0
Renew the Essential Worker's Wage Top up	3,000	3,000	3,000
Create a federal agency for occupational health and safety of health care workers	10	30	50
Conduct an assessment of domestic and international public dental care programs	10	0	0
Implement a national pharmacare program	10,203	10,582	10,978

Continue development of an essential medicines decision framework	0	10	10
Fund a national mental health strategy	250	625	625
Create a health equity data infrastructure platform	20	20	0
Develop curricula in social determinants of health	1	0	0
<b>Inclusion and well-being</b>	<b>2022-23</b>	<b>2023-24</b>	<b>2024-25</b>
Continue funding for the federal Anti-Racism Secretariat	13	13	13
Increase funding by 50% for the Canadian Human Rights Commission to address racism	17	17.25	17.77
Mandate the federal government and provinces to undertake a racial, gender, sexual orientation, ableism, and social-economic intersectional review of all COVID-19 emergency measures	1	0	0
Cancel remaining funds for RCMP anti-racism funding	-15	-18	-15
Independent review of systemic racism within the RCMP	15	18	15
Support community organizations doing anti-Asian racism work at a grassroots level	11	11	11
<b>Immigration, refugees and citizenship</b>			
Eliminate all citizenship fees	75	100	100
Provide access to settlement and integration services to all regardless of immigration status	5	5	5
<b>First Nations' well-being</b>	<b>2022-23</b>	<b>2023-24</b>	<b>2024-25</b>
<b>Investments to close infrastructure gap in First Nations across all asset categories</b>			
Ensure FN have broadband connection	500	500	500
Ensure FN are leaders in Canada's green economic recovery	2,300	2,300	2,300
Funding to support FN governance	3,500	3,500	3,500
Initiate Nutrition North Canada reform	19	20	22
Double the Local Food Infrastructure Program to support Indigenous groups	12	12	12
Indigenous food ways fund (community kitchens, gardening programs, greenhouses, etc.)	10	10	0
Support Indigenous-led non-profit motivated grocery stores	5	5	5
<b>Job creation and decent work</b>	<b>2022-23</b>	<b>2023-24</b>	<b>2024-25</b>
Establish an independent 'low-wage commission'	2.5	2.5	0
Make Taskforce for Women and the Economy permanent	5	5	5
Cancel the Canada Training Benefit	-210	-230	-250
Establish a new Workers Development and Opportunities Fund (WDOF)	1,400	1,400	1,400
Create a Youth Job Guarantee	3,000	3,000	3,000
<b>Physical infrastructure</b>	<b>2022-23</b>	<b>2023-24</b>	<b>2024-25</b>
<b>Environmental protection</b>			
Management of protected lands and marine areas, climate and biodiversity science	1,500	1,500	1,500
Increase Canada's climate finance commitments	1,600	1,600	1,600
<b>Just transition and industrial strategy</b>			
Establish a permanent Just Transition Commission	5	5	5
Establish a Just Transition Benefit to support workers in fossil fuel communities as they transition to cleaner industries	100	100	100

### **Community infrastructure**

Create stable, long term infrastructure funding (worth 1% of GST)	8,720	9,040	9,340
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### **Affordable housing and homelessness**

Target construction of an additional 100K units to total 350K across the NHS and the AFB	3,100	3,500	3,500
New affordable permanent supportive housing	1,000	1,000	1,000
Land and existing assets acquisition fund	340	340	340
Cancel the First-Time Home Buyer Incentive	-29	-30	-31
Residential Tenant Support Benefit	214	0	0

### **Agriculture and food**

Promote public plant breeding	20	20	20
Create a Canadian Farm Resilience Administration	10	30	50
Hire and train 1,000 agrologists	70	70	70

### **Canada and the world**

	2022-23	2023-24	2024-25
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#### **International development and foreign policy**

Develop a cohesive feminist foreign policy	2	2.5	2.5
Cancel F-35 contract and missile defence contracts	-3,066	-3,066	-3,066
Decrease in military spending	-3,300	-2,200	-2,200
Increase Canada's international assistance	3,300	2,200	2,200
Invest in the care economy and gender-responsive services internationally	50	50	0

#### **Trade and investment governance**

Apply a disability lens to the development of international trade policy	1.5	0.5	0.5
Trade agreements to comply with the UN Declaration on the Rights of Indigenous Peoples (UNDRIP)	7	6	5
Enhance First Nations' capacity to engage and participate on Canadian international trade delegations and in trade negotiations.	12	12	12
Establish a federal trade adjustment program for workers	80	80	80
Create a permanent civil society trade advisory committee	7	6	5
Create an Office of the Commissioner for Human Rights Protection in Business	10	10	10
Expand regulatory advisory committee to focus on climate change	1	1	0

### **Fairer tax system**

	2022-23	2023-24	2024-25
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#### **Taxation**

Implement a wealth tax	-19,800	-19,800	-19,800
Create a pandemic super profits tax—15% on corporations with higher than usual profits	-8,000	0	0
Recover wage subsidy from high-profit corporations	-50	0	0
Increase corporate income taxes from 15% to 20%	-7,870	-8,177	-8,479
Increase small business tax rate from 9% to 12%	-2,271	-2,360	-2,447
Implement a minimum corporate tax rate of 15% on income over \$1 billion	-1,000	-1,000	-1,000
Introduce automatic tax filing	100	0	0
Capital tax on large corporations	-1,000	-1,000	-1,000
Increase inclusion rate on personal and corporate capital gains	-10,788	-16,181	-22,229
Financial activities tax	-10,000	-10,200	-10,404

Limit corporate deductibility for executives making over \$1 million	-500	-500	-500
Lifetime cap on TFSA contributions at \$70,000	-130	-150	-170
Reform the dividend tax credit	-1,000	-1,000	-1,000
Clamp down on widely used tax-dodging schemes	-2,500	-2,500	-2,500
Invest in CRA investigations, auditing and enforcement	850	850	850
Revenue from increased investigations	-3,400	-3,400	-3,400
Eliminate the REIT tax exemption	-120	-120	-120
Eliminate fossil fuel subsidies	-300	-300	-300
Apply carbon tax to large emitters and implement carbon border tax	-3,000	-3,000	-3,000
<b>Total AFB 2022 expenditure changes</b>	<b>66,673</b>	<b>78,209</b>	<b>86,503</b>
<b>Total AFB 2022 revenue changes</b>	<b>-71,968</b>	<b>-69,948</b>	<b>-76,630</b>

# Notes

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de POLITIQUES ALTERNATIVES