MONITOR

Progressive news, views and ideas

CCPA
CANADIAN CENTRE
for POLICY ALTERNATIVES
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Founded in 1980, the Canadian Centre for Policy Alternatives (CCPA) is a registered charitable research institute and Canada's leading source of progressive policy ideas, with offices in Ottawa, Vancouver, Regina, Winnipeg, Toronto and Halifax. The CCPA founded the Monitor magazine in 1994 to share and promote its progressive research and ideas, as well as those of like-minded Canadian and international voices. The Monitor is mailed to all CCPA supporters who give a minimum of $35 a year to the Centre. Write us at monitor@policyalternatives.ca if you would like to receive the Monitor.

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Politics of Affordability

Up Front

Columns

Books

Staples

From the Editor

TRISH HENNESSY

The politics of inflation

The good, bad and the ugly?

IT HAS BEEN a long, long time since Canadians had to worry about high inflation.

In the pyramid of problems that governments generally wish to avoid, the rising cost of living is right up there. It's an opposition party's best friend—a tool with which to skewer the party in power.

Periods of inflation can show us politics at its worst. CCPA Ontario Director Randy Robinson gives us a taste of this in his article in this issue of the *Monitor*, "The devil's crowbar: how the right weaponizes inflation."

Federal Conservative leadership candidate Pierre Poilievre has been making a political feast out of inflation, pounding Prime Minister Justin Trudeau with his #JustinFlation hashtag on Twitter and claiming he'd fire Bank of Canada governor Tiff Macklem if he was in charge of the country.

A politician taking aim at the Bank of Canada is highly unusual—the bank has historically been independent of political interference. A *Hamilton Spectator* editorial called Poilievre out: "This is a dangerous idea based on a tissue of misinformation but likely to be popular in these angry times.

"The trouble with Poilievre's assessment is that the Bank of Canada and most professional economists reject it hands down. In fact, former Bank of Canada governor David Dodge said...that Poilievre's criticisms of the central bank are 'bull**** to be blunt.'"

The politics of inflation can spin angst into anger—and there are a lot of anxious Canadians right now.

A late-July survey by Angus Reid shows the combination of rising inflation and higher interest rates is taking its toll: 75 per cent of Canadians say it's a bad time to make a major purchase, such as a new home or renovation, a car, or a big vacation.

In that same survey, 33 per cent of women aged 35–54 say their finances are in bad shape and they're barely keeping their head above water; 27 per cent of women aged 18–34 and 25 per cent of men aged 18–34 say the same.

And there's more bad news. Many economists, including CCPA Senior Economist David Macdonald, worry that the current steep rise in interest rates—which the Bank of Canada has put forward as a solution to inflation—could push Canada into a recession.

After two-and-a-half years of "learning to live" with a global pandemic, a recession is the last thing anyone needs.

As you'll read in this issue of the *Monitor*, some drivers of inflation are beyond our control: Russia's invasion of Ukraine is driving up food and gas prices; and supply chain disruptions from China are adding fuel to the fire.

But some things are completely within our control. There are fiscal tools at the federal and provincial governments' disposal that could help make life easier for people who are struggling to keep up with inflation.

This issue is filled with good ideas that governments could immediately adopt, from providing more affordable public services and keeping a lid on rents to boosting incomes through higher social assistance rates (which are deplorably low) and other cash transfers.

In their article, Robin Shaban and Keldon Bester say a strong *Competition Act* could address inflation by tackling market power, which has allowed major corporations to pass higher costs onto consumers while making excess corporate profits.

A number of contributors in this issue point to excess corporate profits—and the need for governments to tax them.

Going after fat corporations makes far more sense than what some right-wing proponents are doing: going after workers' wages. As Jim Stanford argues in this issue, workers didn't cause inflation, but they can be part of the solution:

"The way out of this quandary is for workers' movements to reject the underlying neoliberal arrangement in which excess capacity—in essence, a reserve army of workers—is always available to discipline labour and control inflation," Stanford writes. "The labour movement must stubbornly resist the system's efforts to make workers pay for a crisis they didn't create."

Finally, as Alex Himelfarb writes in his essay, the story of inflation "has always been a story about power and profit, and it's power and profit we should be focusing on in our response." M

Letters

Well-being measure

The CCPA roundtable discussion published in the July/August *Monitor* raised the issue of measuring society's well-being. As all at the roundtable agreed, the current measure generally in use, gross domestic product (GDP), does not actually measure well-being, but adds up all the expenditures on activities and imported goods, etc., in the economy. Thus it includes expenditures that may not actually contribute to well-being. Further, GDP does not distinguish between who gets a larger, or lesser, share of the benefits from the economy. A useful measure of well-being should assess the distribution of society's benefits among various segments, as well as being added up to a single measure we might call gross national happiness (GNH).

I expect the calculation of GDP to continue as there is a long-time series of this measure and it does provide a reliable calculation of economic activity. However, I would suggest the new, annual measure of economic performance should be GNH divided by GDP. This measure would provide an assessment of the government's performance in leading the economy in ways that provide the greatest benefits to the populace. An increasing GDP that did not correspond with a proportionate increase in GNH would indicate an undesirable economic trend.

John Millen
Denman Island, B.C.

Values are shifting

I was intrigued by "The wellness-to-white-supremacy pipeline is alive and well" by Stacy Lee Kong (May/June *Monitor*) because it chimes with my observations of the intersection of popular/alternative culture and politics over the past 40 or 50 years. Attitudes originating in the 1960s counterculture (which, though predominantly white and middle class, were friendly to left-wing concepts) have morphed into something quite alien.

Forty years ago you'd find me preparing for a midwife-attended home birth, interested in natural foods and natural healing, and even questioning vaccines. All this from a feminist viewpoint, well aware of "traditional medicine's bias against women." I wanted to reclaim my body from the control of a male-dominated profession that had medicalized childbirth and given bad advice on nursing.

I noticed the wrong turn things were taking early in the 1980s. When New Agers began to capitalize on trends toward so-called "taking responsibility" for one's mental and physical health they started to move in sync with the false values of what we now call neoliberalism. When talk of "creating your own reality" turned toward blame for those who couldn't somehow manifest the money to pay for the next trendy workshop, I, as a social justice advocate, began to question the direction being taken.

Look what it's led to! Yoga aficionados teaming up with right-wing rednecks?! Who'd have thought?

I hope people can still feel free to question western medicine, practice yoga, be vegans (although I never was), and practice natural childbirth without fear of being put in a box labeled "white supremacist." Sad that values you'd think would be neutral have become politicized in such an ugly way.

Anne Miles
Gibsons, B.C.

Japanese internment: Canada's racist history

I read with interest the interview with Terry Watada in "The Conversation" (May/June *Monitor*).

Mr. Watada's comments regarding the internment of Japanese Canadians during the second world war were interesting. Aside from those of us on the west coast of Canada, many Canadians have little familiarity with these events.

In the 1960s, I was fortunate to be part of a college civics class offered at the old King Edward Campus, Vancouver (now gone). We invited Mr. T. Buck Suzuki, health and welfare administrator of the UFAWU (United Fishermen and Allied Workers Union), to address our class. Mr. Suzuki and his family were part of this internment, and he wasted no time in telling us of the abuses perpetuated on immigrant Japanese and Canadian citizens of Japanese descent. Not only was the internment a completely racist reaction to the war, as well as racism within Canadian society, but also a massive abuse of the *War Measures Act* and other laws in place at the time. For a young student, this was a memorable awakening.

What has mostly been missed in the retelling of these crimes is the economic aspects—the massive theft of personal property rights. Not only were these citizens kidnapped from their homes, their families broken up, and treated abominably and abused in very many ways, they were robbed on a wholesale scale. The dominant white society raced to gobble up fishing vessels, homes, land and any and all property those transported were forced to leave behind.

If Canadians of Japanese descent have been adequately compensated, it must largely be unknown.

Dian Dougan
Nanaimo, B.C.

Letters have been edited for clarity and length. Send your letters to monitor@policyalternatives.ca.

New from the CCPA

CCPA B.C.

Re-centering the care economy

Marjorie Griffin Cohen, feminist economist and Simon Fraser University professor emeritus, will be delivering the Rosenbluth Lecture via Zoom at 4 p.m. (PDT) on September 14, 2022: *Handle with care: Growth through the care economy benefits people and the climate*. Cohen will examine the blind spots in economic thinking that devalue the care sector and, in doing so, miss opportunities for expanding the economy through activities that both meet people's needs and are less environmentally damaging.

The Rosenbluth Lecture is presented by the CCPA-BC Office to honour Gideon Rosenbluth, a long-time research associate and highly respected member of the economics community in Canada and around the world. You can register for free at: www.policyalternatives.ca/rosenbluth

CCPA Manitoba

A renewed vision for Winnipeg

CCPA Manitoba released its 2022 Winnipeg Alternative Municipal Budget, a community effort co-written by 27 authors from 18 community organizations. Based on community approaches to safety, poverty reduction, truth and reconciliation, and protecting the environment, our budget shows how Winnipeg can rebuild a more just and sustainable city within a balanced financial framework.

Over the last two decades, Winnipeg's budget has been cut to the bone. A 14-year property tax freeze prior to 2012, followed by a decade of minuscule tax increases for roads and rapid transit have left remaining city services—apart from police—starved for resources. The city is now at a crossroads, recovering from two tough pandemic years. But with recovery comes opportunity to pivot. Recent polling found Winnipeggers are willing to pay more for better services, but breaking from the status quo will require bold leadership from the next mayor and city council.

CCPA Ontario

As right-wing policies continue to fail people and the planet, CCPA Ontario will be there with alternatives

The recent Ontario election did little to address the most pressing problems the province is facing. Emergency rooms are closing. Rents are rising. Public services are being funded as if inflation were at "normal" levels. Wages are not keeping up, and neither are the incomes of those living in poverty on social assistance. And the climate crisis is simply not a priority at Queen's Park.

The months and years to come will not be quiet. We'll be putting government policy under the microscope, critiquing spending plans and the ongoing tax and fee cuts that undermine funding for public priorities. We will hold politicians, bosses and landlords to account.

Stay tuned.

CCPA National

Getting the message out on real fixes for the affordability crisis

CCPA National Office's experts have been busy fielding journalists' calls about the thing that seems to be on everyone's mind right now: inflation, inflation, inflation. And rising interest rates.

In fact, the number of stories you're seeing on TV, hearing on the radio, and reading in newspapers and online publications has surpassed the CCPA's usual number one annual hit, our January CEO pay report.

We have been continuously getting the message out that inflation can't be tackled by the Bank of Canada alone; especially since the bank might induce a recession. We've been promoting more government action on the fiscal, not monetary, side of the equation, because there are a lot of things governments can do to address the cost of living.

The federal government is already working to cut child care fees in half this year, which will help families with children tackle other rising costs. Provincial governments can do more to regulate rent, lower tuition fees, and help municipalities lower transit fares. The federal government made several one-time transfers to lower-income families during the pandemic. Those tools are already in place—let's use them again. Provinces can also inflation-adjust social assistance and low-income transfers for seniors and children.

CCPA Nova Scotia

Marking Labour Day with a call to action on low wages and weak labour standards

CCPA-Nova Scotia will release our updated Living Wage 2022 report on September 7, 2022, followed by a film screening and panel discussion of the film *The Gig Is Up* on September 8, 2022. The event is hosted in partnership with the Nova Scotia Federation of Labour, Halifax Workers Action Centre, Nova Scotia Justice for Workers, the Halifax Dartmouth District Labour Council, and Halifax Public Libraries.

We're also excited to announce that our Gala Dinner Fundraiser is back, and set for Friday, November 25. We'll be welcoming Dr. Grace-Edward Galabuzi, associate professor with Toronto Metropolitan University, for a talk on the anti-Black racism moment and the fight for economic, racial and climate justice in the 21st century. Tickets for in-person or virtual attendance will go on sale in September. M

Robin Shaban and Yunus Emre Bozkurt

The case for more public ownership of telecommunications in Canada

THE OUTAGE ACROSS Rogers' network this summer, which took out a quarter of all Internet activity in the country, highlighted just one more reason why Canada's telecom oligopoly is harmful.

On top of paying some of the highest prices in the world for telecom services, the tight corporate control of Canada's telecom sector leads to less resilience in our networks. As telecommunications companies and their networks become bigger, valuable redundancies in our national telecom infrastructure are being removed through the pursuit of greater efficiency and profits.

As climate change increases the likelihood of natural disasters, pandemics and other crises, Canada needs to focus more on resilience in our critical infrastructure networks, including telecom. We also need to recognize that the pursuit of greater resilience may be at odds with the drive to reduce costs and create efficiencies.

Here are three things you need to know as we move forward after the Rogers' outage.

We need more telecom options

Rogers controls nearly a third of all mobile subscriptions and a fifth of all Internet subscriptions in Canada. This is why the failure of its network was so far-reaching. But Rogers' dominance of Canada's telecom market also has implications for pricing and the quality of telecommunications services.

Research done by the Competition Bureau, Canada's competition authority, has shown that prices are higher when there are fewer telecom providers in a region. Conversely, having more providers, such as the crown corporation SaskTel, leads to lower prices. More variety also means more resilience because the public becomes less dependent on a small number of companies and their networks.

Rogers' proposed acquisition of Shaw threatens to make the current situation worse by reducing options even further.

There is a role for public ownership

For over a decade, beginning with former Prime Minister Stephen Harper, the federal government has talked about creating an elusive "fourth carrier" in the market that can provide a viable alternative to the telecom oligopolists. But this initiative and other promising attempts to create more options in the telecom space have had limited success.

In 2009, Wind Mobile (now called Freedom) entered the Canadian market, offering mobile plans in Canada's major urban centres. In 2015, however, Shaw announced its intention to acquire the company. Now Freedom stands to be even further rolled up into the telecom oligopoly as Rogers seeks to acquire Shaw.

The Competition Bureau's challenge of the Rogers–Shaw deal highlights how incredibly difficult, if not impossible, it is to create a viable private-sector entity that can effectively compete against the three major telecom companies.

To help push the deal through, Rogers has offered to divest Freedom to Quebecor, the Quebec-based media and communications company that operates the Videotron and Fizz brands.

In nearly every problematic merger the bureau has investigated, it has accepted divestment offers like these. But not this time. Even with a sweetheart deal like this, it appears that the bureau is not convinced that Quebecor will be able to compete strongly enough to take Shaw's place in the regions affected by the merger.

The bureau's reluctance highlights that even powerful, well-resourced corporations like Quebecor might not be able to enter new regions in Canada as serious competitors.

To date, market-based solutions for creating more competition within telecom infrastructure have not been particularly successful. More recently, there has been a rise in the number of companies that sell Internet services using the infrastructure of the large companies under Canada's mandated wholesale regulatory structure.

Internet service providers like Teksavvy use this regulatory framework to access the network of the large telecoms and provide home Internet. But this same mandate has not been extended to wireless services, and MVNO (mobile virtual network operator) hopefuls like DotMobile, which aim to provide mobile service through the big telecom companies' spectrum, have not been able to work out commercial deals with those companies.

While firms like Teksavvy have made a difference in lowering prices for Internet service and have even built some of their own network elements, there is still a long way to go to reign in Canada's telecom oligopoly. And these companies themselves struggle to deal with the large telecoms on fair terms as users of their infrastructure, which impacts overall competitiveness in the market.

We need more organizations in the telecom space that can create redundancies in our telecom infrastructure. Governments need to step in and create the resilient networks we need, at prices everyone can afford.

Solutions should be driven by communities

Public ownership of telecom infrastructure is not a radical idea. SaskTel, a crown corporation providing home Internet, mobile and other services, has existed in the province since telephone lines were first being built.

Similarly, municipally owned telecom company Tbaytel provides mobile and home Internet plus other telecom and media services in Thunder Bay.

Alberta SuperNet connects public buildings like schools, hospitals, libraries, and government and municipal offices across Alberta. The network is also used by Internet service providers to serve rural residents.

However, simply nationalizing the telecom companies is not guaranteed to make our networks more resilient. A public telecom running our current national network might offer telecom services at a lower cost, or offer better service, because it lacks a profit motive. But a large crown corporation telecom would still have the power to manage in the same way as a private company—cutting redundancies, driving economies of scale and creating lean, brittle networks.

Public ownership alone is not enough. Canada needs publicly owned telecom operators that value resilience and are attuned to the needs of communities, especially given the regional nuances of climate change and the environmental crisis. Recent municipal initiatives to build out Internet infrastructure offer an exciting avenue for increasing the right kind of public ownership in Canada's telecom networks in a way that is proven to be politically achievable.

There's a role for governments in regulating Canada's telecommunications market

Alberta's Red Deer County is undertaking one such initiative, with plans to create a fibre-optic network that will make Red Deer "the most connected County in North America." The county-owned network will connect residents, farms, businesses, and incorporated towns and villages. As of February 2022, the county had invested $13 million in building four towers and four connectivity hubs, and installing 180 kilometres of fibre-optic cable. Currently, 260 customers use the service that the county-owned network provides.

But initiatives like those in Red Deer may face political hurdles. Last year, Toronto announced its ConnectTO initiative to expand access to home Internet, given the high cost of reliable service and infrastructure gaps. The city planned to build its own citywide, high-speed Internet network and provide Internet services at affordable prices. The city would also provide other Internet service providers with access to the network and revenue generated from this access would be re-invested to enhance digital services to people caught in the city's digital divide.

In May, however, the mayor's executive council voted down the city's proposal to build out its own network, scaling back the scope of ConnectTO. Activists attribute this change to lobbying by Rogers and Bell. In a letter to Toronto city council, Bell argued that the city's plans would duplicate networks that already exist and that policy-makers should address Internet access for low-income residents through subsidy programs.

One of the potential shortcomings of these initiatives is that municipalities plan to partner with private-sector companies to deliver the service to community members. The way these partnerships are implemented matters if their efforts are to be effective and their provision of Internet services equitable.

Importantly, these municipal plans to build out Internet infrastructure do not address mobile service. But local governments can still play a role in providing these services. In July 2021, Tbaytel successfully acquired additional 5G spectrum to its existing mobile spectrum, combining it through partnerships with other spectrum-holders to provide far-reaching mobile service to its customers.

Rogers' outage crisis has highlighted how critical Internet service is for our connection to each other and our economy. It has also given us the opportunity to rethink our approach to providing these services.

Now, more than ever, we are seriously considering how public solutions can fill the long-standing gaps in our telecom networks and champion efforts to create more resilient networks that are ready for the crises that lay ahead. M

Inside Trade

STUART TREW
AND CHRIS ROBERTS

CFTA turns 5

Interprovincial barriers stalling reconstruction

THIS SUMMER MARKS the five-year anniversary of the Canadian Free Trade Agreement (CFTA), a provincial pact with the federal government that flies well below most people's radars. Despite its young age, the agreement is looking like a dusty relic that's out of place in today's world.

In fact, the deal's single-minded focus on eliminating so-called barriers to interprovincial trade—by harmonizing regulations, standards and occupational safety rules—creates its own barriers to better environmental policy, stronger worker protections, and the transition we need to a more sustainable and equal society.

When the CFTA was agreed to five years ago, the scale and urgency of responding to the climate crisis was already apparent. It took the COVID-19 crisis and aftermath to expose just how unprepared we are to meet a cascading set of related environmental, economic and public health breakdowns.

For example, Canada was ill-equipped to manufacture ample personal protective equipment, ventilators or vaccines when they were urgently needed. We failed to anticipate and then respond to the health risks and unmet care needs of our aging population.

We didn't understand that corporate concentration and supply-chain vulnerabilities could trigger an inflation-ridden recovery and the sudden failure of critical infrastructure like our telecommunications network.

To face these intersecting challenges, we must expand both Canada's domestic productive capacities and government's policy imagination. Unfortunately, the CFTA, like Canada's many international trade agreements, makes both feats unreasonably difficult.

The CFTA, like its precursor *Agreement on Internal Trade*, was drafted solely to "reduce and eliminate, to the extent possible, barriers to the free movement of persons, goods, services, and investments within Canada." Climate change receives the barest mention. Women and gender equity are passed over in silence, and labour rights are accorded short shrift.

Most activity under the CFTA umbrella occurs at the Regulatory Reconciliation and Cooperation Table (RCT). The RCT, which includes senior provincial, territorial and federal officials, receives proposals from businesses or governments to eliminate "barriers or irritants" to commerce in the form of differing regulations or standards. If enough provinces agree, a "table" is established to try to reconcile those differences through either harmonization or mutual acceptance of provincial rules.

Sometimes the identified "barriers" to trade may seem small, like differences in what safety products must go into first aid kits in workplaces. Other RCT agenda items, like reconciling occupational exposure limits for certain toxic chemicals or the adoption of company-policed safety management systems (versus public oversight) in workplaces across Canada, could have far-reaching impacts.

We should be concerned that these important decisions about working conditions and product safety are being made with a view to reducing the burden on business—not primarily with a view to what would be best for workers, the environment or the public benefit. Why should industry have privileged access to an intergovernmental regulatory reform body with little transparency or accountability to civil society?

The CFTA approach to interprovincial cooperation is also profoundly inadequate to advance the society-wide economic transformation required of us.

The goal of strengthening Canada's economic resilience doesn't appear at all in the agreement. In fact, economic measures to incentivize or sustain local jobs and production are purposefully excluded from the CFTA's definition of "legitimate" policy objectives—areas

Worth Repeating

Many Canadians may soon actually suffer from insomnia, terrified of losing their homes due to crippling interest rates—as so many did in the early '90s. Bay Street isn't shy about advocating higher interest rates. Earlier this week, prominent inflation hawk William Robson published an op-ed calling for higher rates—possibly much higher. As CEO of the corporate-funded C.D. Howe Institute, Robson is always on guard against anything threatening the interests of the wealthy. And one of the biggest threats to the moneyed class is inflation. That's because inflation erodes the real value of money. This hurts people who have a lot of money, but can help those who owe a lot of money.

—Linda McQuaig, *Toronto Star,* December 15, 2021

where governments may deviate from trade rules in limited circumstances.

To be sure, many provinces reserved some space in the CFTA to impose performance requirements on investments to create good jobs and stimulate local economies. Several provinces, including Ontario and New Brunswick, also have policies in place to favour local companies in government contracts where allowable under the CFTA's strict procurement rules.

These are important steps. But instead of limited exceptions in otherwise highly restrictive free trade deals, we must rethink the economic and regulatory framework needed to put Canada on track to meeting its climate objectives and cushioning Canadians from future economic and public health shocks.

The transition to a net-zero emissions economy will be a herculean task for which market-based or trade-focused solutions are inadequate. As Seth Klein has persuasively argued, governments must relearn how to plan, coordinate and nurture investments in all areas of the green economy.

That will mean expanding domestic manufacturing. It will mean transforming our energy, agricultural and transportation systems. It will mean fostering public- and private-sector innovation in green technologies. It will mean using procurement strategically to support those technologies. And it will mean prioritizing skills training and workforce development.

The five-year anniversary of the CFTA is a chance for the federal, provincial and territorial governments to engage the public about the post-pandemic industrial strategy we need to meet the urgent challenges in front of us. If the trade agreement creates barriers to moving that agenda forward, those barriers should be removed. M

Katherine Scott / National Office

Rising inflation exposes the gap between Canada's richest and poorest

LET'S BE CLEAR. Today's high inflation puts the tightest squeeze on low-income households because they have the least ability to absorb or offset rising expenses.

The cost of necessities, such as shelter, food and fuel, make up more than half of the expenditures of poor households. Comparatively, households that are higher up the income ladder spend less than 30 per cent on such necessities. Inflation further reduces the purchasing value of their remaining dollars—a stark reality, especially for those on social assistance.

Basic goods have posted some of the largest increases over the past year. The lack of truly affordable housing has placed secure and adequate housing out of the reach of millions, especially those from communities facing systemic and intersecting barriers such as sexism, colonialism, racism, ableism and homophobia/transphobia. The pandemic has only heightened these concerns, as many are now dealing with evictions with the expiry of temporary pandemic bans on rent increases.

The upshot: even greater financial precarity for poor people. Trevor Tombe, professor of economics at the University of Calgary, has calculated that recent price increases are costing an average of $200 more each month for families who earn less than $30,000 per year. That's the equivalent of a nearly 10 per cent reduction in their disposable income: $1 in every $10 gone. In contrast, families with incomes over $150,000 have seen their costs rise by only four per cent, on average.

Wages aren't keeping up

You might think that tighter labour markets and record-high job vacancies would translate into higher wages, providing some protection in this uncertain time. Wage growth can be a saving grace, helping to address shortfalls in spending power, but this isn't happening. Or at least not yet.

Earnings have been modestly rising but not nearly at the rate of inflation. In May 2022, the annual change in inflation was 7.7 per cent, compared to an average increase in wages of only 3.9 per cent.

The largest pay increases between May 2021 and May 2022 were in high-paying industries, such as information and cultural industries (led by the IT professionals) and professional, scientific and technological services.

By contrast, wage growth has been notably lower in mid-paying industries, like administration, health care and social assistance, despite the rapid growth in job vacancies. Workers in educational services or public administration, for example, saw average wage increases of just two per cent in May.

This is a key reason why women's wage increases continue to lag men's (3.7 per cent versus 4.2 per cent in May)—given the high concentration of women working in education, health and social services. Higher job vacancy rates are pushing up wage rates for IT workers, but not for the care workers who saw us through the pandemic and who are now leaving their profession in droves stressed, exhausted and burned out.

The pandemic economy has been especially hard on low-income households, particularly for women. Rising inflation is creating a double whammy for those households. But governments have been slow to address this issue.

Governments can't afford to ignore the plight of poor individuals and families by simply leaving inflation mitigation to the central bank. This is most certainly a unique and complex set of circumstances. Many of the drivers of inflation are beyond the control of any one government, yet alternative policy solutions are available.

In the short term, it's imperative to protect low-income families

This past month, the federal government released its "affordability plan"—a shortlist of previously announced budget items that extend support to low-income renters, seniors over 75, and low-income workers through an enhanced Canada Workers Benefit, with funds expected to flow this summer. Funding to reduce child care costs and a new dental plan for people earning less than $90,000 will also help to reduce the living costs of modest- and middle-income families.

These are proven strategies for reducing income inequality. But there's room to do more.

This must start with indexing all income security benefits to account for inflation—to ensure that the poorest of the poor aren't pushed further into poverty. The largest gap on this score is provincial/ territorial social assistance and related seniors, child and sales tax credits. This is a critical first step and would have an immediate impact on the income of poor households.

Some governments—in Canada and abroad—have temporarily suspended or reduced gas taxes to help deal with prices at the pumps. Alberta, Newfoundland and Labrador, and Ontario have brought in fuel tax holidays. There have been calls, as well, for the federal government to suspend carbon tax increases. These measures certainly deliver relief, but as broad-based measures they are hugely expensive and regressive.

Better to target inflation relief to those in need—not just to people who drive. The Quebec government, for instance, has already sent out $500 cheques to every adult earning $100,000 or less and is promising another by the end of the year, if re-elected this fall. (Not so targeted.) And the federal NDP has called for a boost to the GST credit and is now advocating for $1,000 inflation relief payments to low-income families.

Progressive measures are the right way to go—delivering crucial support to those who are not fortunate enough to be sitting on pandemic savings. Better yet, the government could fund inflation relief for low-income families by expanding excess corporate profit taxes beyond the banks to the other 80 per cent of companies that cleared $1 billion in profits in 2021 in oil and gas, tech and groceries.

On the crucial issue of rising shelter costs, a cap on rents is another direct and effective strategy for targeting support where it is needed most. Many provinces enacted rent freezes during the first phase of the pandemic, which have since expired. It's time to bring in stricter rental controls to protect tenants facing the largest increases in rent since 1990.

There are many factors driving high inflation that are beyond our control, but governments have tools that can help Canada's poor weather this storm and that would address the outrageous gap between the rich and the rest of us. M

ASAD ISMI

Colombia's quiet revolution

"IT WAS THE straw that broke the camel's back," Guillermo Ramirez told me. He was explaining how Colombia's affordability crisis led to the election in June of the first leftist government in the country's 200-year history. Ramirez is Colombian–Canadian and a member of Colombia Action Solidarity Alliance (CASA), a Toronto-based activist group. He has been following Colombian politics for 27 years and visited Colombia in January.

In April 2021, the right-wing government of President Iván Duque announced its intention to increase taxes on food items. This would have affected the poorest Colombians the most—people who were already suffering enormously from the drastic effects of COVID-19 on the economy.

A shocking 40 per cent of Colombians live in poverty, a result of "decades of neoliberal policies which have pushed Colombia into an economic crisis, with unprecedented levels of poverty and inequity," as Raul Burbano told me. Burbano, also Colombian–Canadian, is program director at Common Frontiers, a Canadian working group composed of labour, faith-based and social justice organizations focused on the Americas. Burbano went to Colombia in June to observe the elections.

According to Colombian researcher Veronica Uribe-Kessler, 20 per cent of the richest Colombians get 55 per cent of the country's income, while 80 per cent of the people "scramble over the remainder," as Kessler puts it. This makes Colombia Latin America's second-most unequal nation (after Brazil).

"Colombians barely have enough money to pay for food and cannot afford to spend more, and so the regressive tax proposal sparked a major rebellion against the Duque regime," says Ramirez.

On April 28, 2021, Colombia exploded into a national strike that enveloped 600 cities and went on for several months, a stunning level of protest not seen in 50 years. The uprising was led by unemployed youth and forced Duque to retract the tax increase—but only after Colombian security forces had killed 45 protestors and "disappeared" 405 others. The violence only increased public anger at the government.

"Many young people in Colombia do not have opportunities to study in universities because they cannot afford the expensive privatized education system," says Ramirez. He adds that there are no jobs for them. "They don't even have access to the Internet because they are too poor to pay for this."

Unemployment in Colombia stands at 15 per cent, according to official figures, but for youth it is close to 24 per cent. More than 63 per cent of the workforce is consigned to the informal sector and only 15 per cent of those earn even the minimum wage.

Ramirez emphasizes that the 2021 national strike led directly to the victory of leftist politician Gustavo Petro and his Afro-Colombian running mate, environmentalist, lawyer and social activist, Francia Márquez, in the June 2022 national elections. This sea change in Colombian politics reflected public determination to address poverty, inequality, unemployment, official corruption and state repression.

Transparency International ranked Colombia at number 87 out of 180 countries on its Corruption Perception Index for 2021. *U.S. News* declared Colombia the world's second-most corrupt country for 2021. The Borgen Project, a U.S.-based anti-poverty NGO, points out that "corruption exists at every level of government" in the country. And there isn't much recourse to deal with it because the judiciary, police and military are also corrupt and, as a result, crime in Colombia has become "normalized."

In terms of official repression, Colombia has long had the worst human rights record in Latin America, with state-linked paramilitary death squads murdering thousands of people a year. This figure has recently come down to about 400 per year, which still makes Colombia the most dangerous country in the world for trade unionists and human rights and environmental activists.

A lot of the violence stems from efforts to maintain the skewed distribution of income in favour of the rich. But, in contrast to Duque, the new leftist government intends to tax the wealthy, Colombia's 4,000 richest families. As Burbano explains, "Through a progressive tax reform, Petro expects to raise $10.9 billion annually with which he plans to pay for pension, health care and education reforms."

Petro also proposes free higher education, agricultural reforms and giving women heads of families a salary.

"Land reform is another key priority," says Burbano. "Decades of conflict and government corruption have resulted in Colombia having one of the most unequal land distribution[s] in Latin America. Land redistribution also means recognition of land rights of Indigenous peoples and Afro-descendants."

Three per cent of Colombians own over 70 per cent of arable land and this concentration has long been a major source of poverty.

Although Petro and Márquez's economic reforms appear modest, one policy stands out as fairly radical:

the pair's determination to wean Colombia off dependence on oil and other mineral exports and put it on the path to a green transition. To this end, Petro has instituted a ban on unconventional oil fields, offshore drilling and fracking, and has stopped new licences for oil exploration.

The new government is also hostile to mining, with Márquez being well-known for her anti-mining activism. Oil and mining are the main official export revenue earners for Colombia (joined by cocaine as the unofficial one), but both have brought massive violence and displacement to many communities all over the country and little benefit to most Colombians.

As Burbano explains, "Vice president-elect Francia Márquez is a human-rights and environmental activist. The new government's platform is centred on protecting the environment and climate justice. They have promised to gradually reduce Colombia's dependency on the extractive industry, and oil and coal in particular, replacing these with agriculture, tourism and clean energy.

"Canada is a global leader in mining and I think this will not sit well with Ottawa as it will affect Canadian mining profits. In 2019, according to Natural Resources Canada, 23 Canadian mining companies held assets totaling $1.38 billion in Colombia. In the past, Canada was a staunch ally of Colombia, turning a blind eye to the egregious human rights violations committed by the state. I suspect, going forward, Canadian foreign policy towards Colombia will become much more hostile."

Francia Márquez has been key to the leftist victory in Colombia, making possible the building of an amazingly diverse coalition called "Historical Pact" that includes the liberal, conservative and communist parties along with Afro-Colombians, Indigenous nations, the environmental movement, youth, students, parts of the urban middle class, farmers and 2SLGBTQ+ communities.

It was not Petro who joined the unemployed youth when they led the national strike against Duque, but Márquez who marched with them. Burbano points out that "Márquez has an incredible history of grassroots struggle to protect the environment and for Afro-Colombian and Indigenous rights. Her position as Vice-President signals to the most marginalized in Colombia that things are finally changing. Her role will be key to ensuring the new government sticks to its promises as it negotiates priorities within the bureaucratic structures. The fear by many is that the government may cede too much space and power to liberal and conservative elements."

Ramirez agrees on the significance of Márquez's role: "She was able to bring into politics a lot of groups that had long been isolated and they proved to be a powerhouse. These groups included not only Afro-Colombians and the Indigenous but also women in general who were greatly encouraged to vote due to Francia and that made a big difference in the election."

As Márquez herself put it in a 2021 interview, "People want change, in terms of justice, equity and to root out the logics and structures of coloniality, racism, patriarchy. Protests are not just a response to recent events but to the country's systemic inequality. And that social upheaval led by the youth in 2021—and in which I also took part—is also an example of that historical burnout."

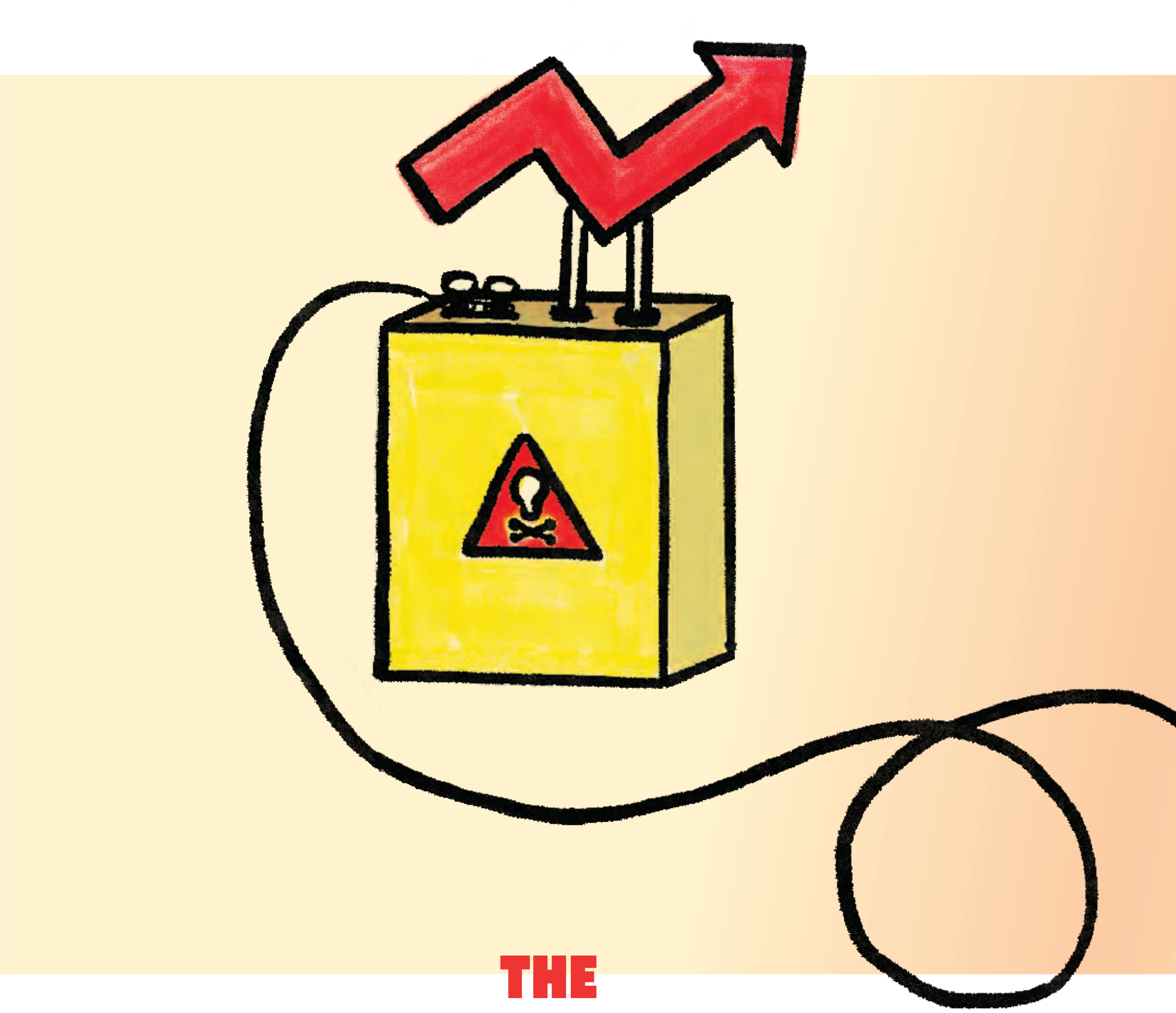
The left's unprecedented triumph in Colombia comes as part of a second wave of progressive governments that are gaining power all over Latin America. The first wave took place from 2000 to 2015. There are now nine leftist governments in Latin America, including Mexico, Argentina, Chile, Peru, Bolivia, Venezuela, Honduras, Nicaragua and Cuba. Brazil is expected to elect a leftist government in October.

As Kyla Sankey, who teaches in the School of Business and Management at Queen Mary University of London, points out in a recent article, "By the end of the year, for the first time in its history, Latin America's six largest economies—Argentina, Brazil, Chile, Colombia, Mexico and Peru—should all be under left-wing rule of one kind or another."

Sankey believes that "Latin America's second wave of left-wing governments could be more powerful than the first" (the title of her article in *Jacobin* magazine), especially given the greater opportunities this time for leftist governments to build alliances with environmental and social movements.

Ramirez agrees, adding that the United States, traditionally the major imperialist power in Latin America and the violent remover of leftist governments, is in a much weaker position today than it was 15 years ago. Now China holds more sway in South America.

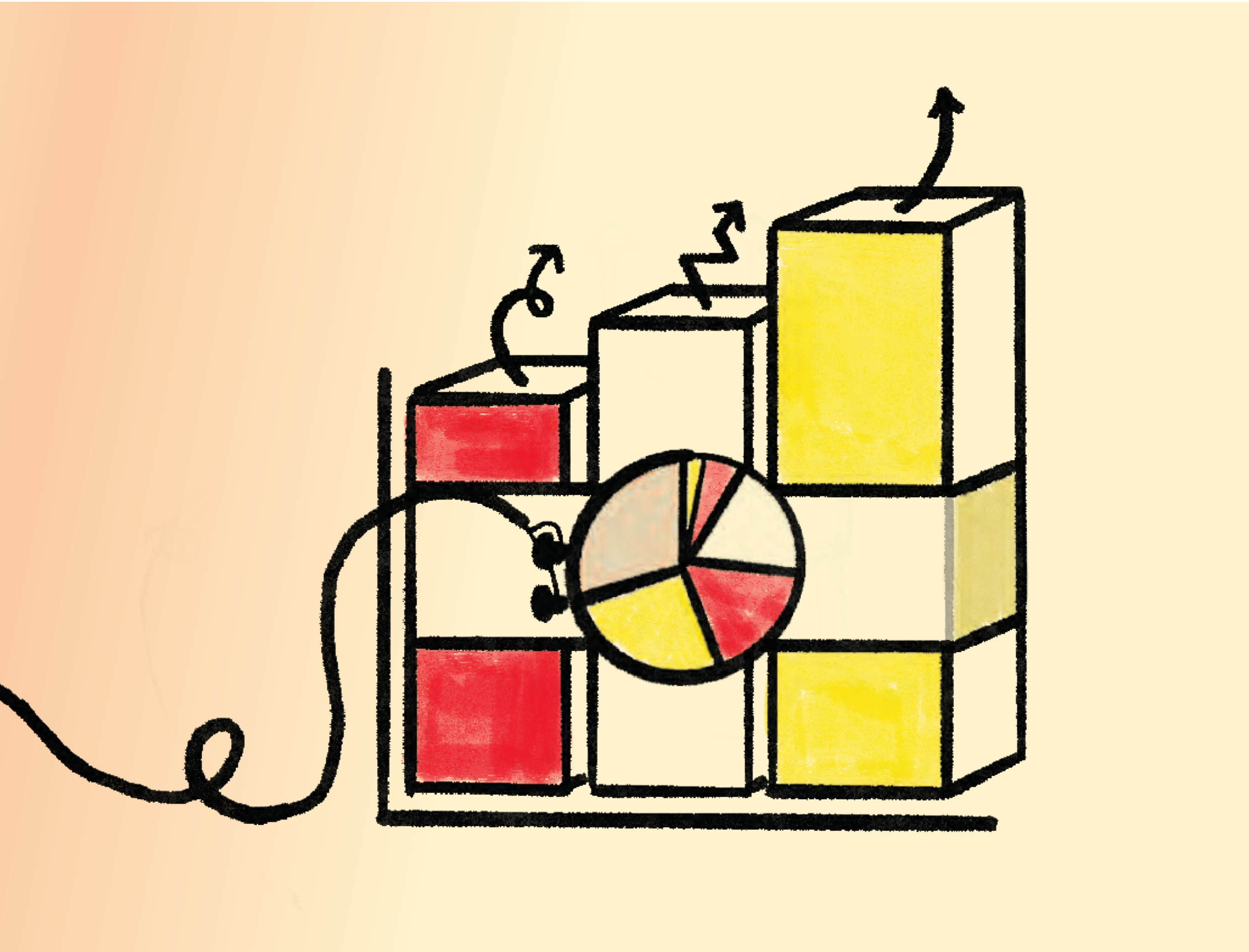
"So many leftist governments will make possible the advance of regional integration in Latin America," Ramirez says, "which will make the implementation of a green agenda easier across borders. Closer co-operation between Latin America, China and other countries internationally will help displace the U.S.-dominated world order that has impoverished and killed millions of people." M



THE DEVIL'S CROWBAR

HOW THE RIGHT WEAPONIZES INFLATION

BY RANDY ROBINSON



THE BRAND OF turbo-charged capitalism that we call "neoliberalism" arrived in North America on a rising tide of inflation.

It was the 1970s, a time of worldwide political and economic turmoil. The crisis had many causes; higher inflation was one result. After oil prices quadrupled in late-1973, the inflation rate in Canada averaged 11 per cent in 1974. After 1979, when oil prices doubled again, inflation soon shot past 12 per cent. Across the border, U.S. truckers and angry citizens rioted over the cost of gasoline.

Into this chaos stepped Paul Volcker, chair of the U.S. Federal Reserve. Volcker had strong views on what was causing inflation, and he had the power to do something about it.

The problem, he believed, was wages. Given that wages and salaries made up "the dominant share of business costs," he said, worker demands for pay increases to keep up with inflation actually fuelled more inflation, which fuelled higher wage demands, creating a "price/wage spiral." The solution to stopping the spiral was simple: have a recession. Recessions mean job loss. Workers who fear job loss are less likely to demand wage hikes.

No wage hikes, no inflation. That was Volcker's idea.

Engineering the recession was not hard. By April 1980, prime lending rates in the U.S. topped 20 per cent, and Canada's followed suit. At rates like that, virtually no one could borrow to invest or make new purchases. The resulting global recession pushed the unemployment rate in late-1982 to 10.8 per cent in the U.S. and 13.1 per cent in Canada, both record highs until 2020.

It was a high cost to pay. By stopping workers' wages from keeping up to inflation, the recession essentially locked in wage losses. For a quarter-century after the "Volcker Shock," both Canadian and U.S. workers saw average wages stagnate, even as their on-the-job productivity grew. Meanwhile, business profits, as a share of the economy, went up. Wealth was transferred from workers to employers—in a big way.

All of this ancient history wouldn't matter except for one thing: for most central bankers today, Volcker's method is their textbook. It's the only way they can imagine to fight inflation. And that's why Canadians may soon be staring down the barrel of a recession.

Central bankers are not the only players in this drama, of course. Politicians play a big role. So do corporate executives and business owners. For some of these players, inflation is not a problem at all; it's an opportunity.

When prices start to rise, it's natural for sellers whose input costs have gone up to try to pass those extra costs on to customers—that's how they maintain their profit margins. But do their customers really know how much input costs have gone up? Probably not, and therein lies the opportunity. Businesses can increase prices, increase profits, and blame inflation. That is, in fact, what is happening in Canada right now.

For politicians, inflation represents a different opportunity. Voters care a lot about the cost of living, and when costs are rising, they expect their elected officials to do something about it.

Based on what premiers and the federal government have done in 2022, politicians' preferred option is to put cash in voters' pockets. This is absolutely necessary for low-income individuals and families facing rising rent and food costs, just as it was necessary in 2020 when so many Canadians lost their jobs. That said, it matters how cash transfers are structured. When they are in the form of permanent cuts to taxes or fees (as enacted by the PC government in Ontario and proposed by the NDP opposition in Alberta), these transfers can mask permanent cuts to the revenues that pay for public services.

Lately, politicians who opposed the federal carbon tax before the recent rise in inflation have seized on a new argument against it, namely that "people are hurting." The attack on federal climate strategy has thus taken on the appearance of a humanitarian rescue mission.

To premiers like Saskatchewan's Scott Moe, Alberta's Jason Kenney and Ontario's Doug Ford, the fact that the carbon tax added just 2.2 cents a litre to gasoline prices this year—and that carbon tax rebates are on the way—is irrelevant. Those who oppose taxes in the first place are always happy to liquidate public revenues and give them away (to quote Ford, "the worst place you can give your money is to the government"). Inflation is just a handy excuse.

Opposition to taxes and government programs is not limited to provincial politicians. For would-be federal Conservative leader Pierre Poilievre, rising prices have opened up a new avenue for attacking activist government: "The cost of government is driving the cost of living; the more they spend, the more things cost," he says.

This analysis ignores other causes of inflation, such as supply-chain disruptions, surging oil prices, corporate profiteering, climate change, and war. But in Poilievre's vocabulary, inflation is not the product of complex interactions among diverse forces on a global stage; it is an "inflation tax" imposed on Canadians by their own government, in league with its central bank.

Poilievre's solution is to "get our spending under control" and "eliminate the inflationary taxes and deficits that are driving up the cost of living." This is not a change for him: he has always called for lower spending, lower taxes, and lower government deficits. Inflation has merely given him a way to link his preferred policy options, rhetorically at least, to people's everyday lives.

If political frustration awaits Poilievre, it may be because federal Liberals are already heading in the direction he is calling for.

In June, Finance Minister Chrystia Freeland boosted certain payments to low-income Canadians, but she also spoke of holding back on spending to fight inflation: "I don't want to make the Bank of Canada's job harder than it already is," she said. In so doing, she handed the inflation problem back to the bank, whose tool of choice, as mentioned above, is to raise interest rates to choke off growth and very likely pitch the country into a recession.

If that happens, there will be serious consequences for the distribution of wealth in Canada.

A century ago, U.S. plutocrat Andrew Mellon said that "in a crisis, all assets return to their rightful owners." What he meant is that in a recession, unemployed workers and shuttered businesses do not merely lose their savings, their homes and other assets; someone else gets them, usually at fire-sale prices.

Thus, the battle against inflation is not merely about taming the cost of living. For those with the power to wield it, inflation is a tool, a devil's crowbar to pry wealth from the hands of those too vulnerable to hold on to it. With four big interest rate hikes this year, the Bank of Canada is already doing its part to provoke a recession—and begin the wealth transfer in earnest. M

DAVID MACDONALD

Can Canada recession-proof itself?

WHAT IF I told you that Canada could cut inflation down to size with one simple trick: higher interest rates?

If your budget is squeezed and your mortgage isn't up for renegotiation, you might say, "Yes, please!" and carry on with your life.

Now what if I told you that every time the Bank of Canada has tried to fight high inflation with higher interest rates, a recession followed? Like, every single time over the past 60 years.

Given the choice, most Canadians probably wouldn't choose a recession, especially after the last two years of pandemic-related recession.

But by trying to tame inflation through interest rate hikes, the Bank of Canada is going down a well-worn path. This is just what it does.

Perhaps it's time to challenge the old orthodoxy, because the Bank of Canada is unlikely to reach what's considered the neutral point of two to three per cent inflation without causing a recession.

Of course, this is fate coming back to bite us: Canadians have been borrowing for next to nothing, at generationally low interest rates. We knew that wasn't sustainable—especially since low-interest rates made it easier for investors to turn home buying into a profit bonanza, squeezing out affordable housing options for people who just want a home to live in.

A recession might have an upside effect: housing prices will go down. But scores of Canadians will lose their job, and some are still struggling to recover from pandemic-related economic shutdowns that affected their ability to earn income.

Once in recession territory, we would likely see less discretionary spending. Canadians would be less likely to go forward with planned home renovations, buy new appliances for their homes, eat out, or go on vacation.

It's hard to recession-proof a country when there is so much global instability.

The prime minister has correctly said, "When it comes to inflation… it's very difficult right now because global forces are at play here."

Inflation isn't a Canadian problem; it's a global problem. High oil prices are due to Russia's war on Ukraine. High gas prices are due to the shutdown of gas refinery plants that never re-opened due to the pandemic. Supply chain issues are mostly due to pandemic-related lockdowns in China.

The Bank of Canada's move to hike interest rates isn't going to affect any of that. This is the pickle that we're in: a lot of this isn't under our direct control.

Anything that governments can do to make Canadians' life more affordable is the only option. Just like during the start of the pandemic, only government leadership can move us through this phase.

The federal government's plan to cut child care fees by 50 per cent this year is a good start. It will counterbalance inflationary pressures on families with young children.

Provincial governments could provide a lifeline to people who receive social assistance by adjusting their payments to inflation.

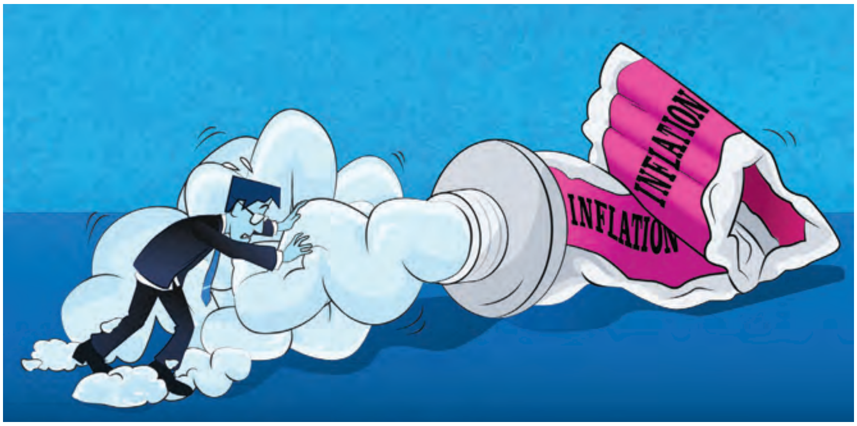
Both levels of government could target low-income households with one-time income transfers.

Canadian governments didn't cause inflation, but there's plenty they can do about it on the fiscal, not monetary, side of the equation.

The harsh reality is that something as academic as the Bank of Canada tinkering with interest rates could result in real people losing their job. That's not an academic exercise. It affects people's livelihoods and careers, and it impacts household stress in an era of tremendous uncertainty and tumult.

Is a Bank of Canada recession inevitable? At this point, probably. Do economists have to re-think monetary policy, given the bluntness of the only tool they believe is at the Bank of Canada's disposal, rising interest rates? Absolutely.

Should governments act fast to mitigate the toxic impact of high inflation and high interest rates? Sometimes the only response is a fiscal response. M



ALYSSA O'DELL

The politics of influence

A who's who of lobbying on affordability in Ottawa

THE INCREASED cost of living eclipsed most other issues on the federal political circuit this summer, as policy makers, journalists and everyday citizens struggling to afford food, housing and other essentials grappled with the impacts of rising inflation.

Inflation hit 8.1 per cent in June 2022. Amid that backdrop, it's useful to take a look at who is trying to influence the policies coming out of Ottawa to address affordability concerns.

Lobbying is a legitimate democratic activity in Canada—though those with greater financial resources to do so often appear more frequently in lobby registries.

Lobbying activity is tracked through the federal Registry of Lobbyists, a massive database that shows who is lobbying, what issues they are trying to influence, and which holders of public office (including MPs, senators, ministers, parliamentary staff and others) they are communicating with.

The registry paints a picture of which organizations, corporations, unions or civil society groups are jockeying for position to have their say on federal public policy. So who's lobbying on affordability and inflation? (And to be clear, I mean inflation as in inflated costs of living, not as in inflatable boats—a topic several companies are also registered to lobby about.)

Perhaps unsurprisingly, the Daily Bread Food Bank is one of the first organizations to appear in a search. The Toronto-based charity is registered to lobby on several issues related to food security, as well as "ensuring all low-income Canadians have access to the Canada Child Benefit and that rates are indexed to inflation."

The Canadian Labour Congress is also registered to lobby on a wide range of public policy issues, including indexing the federal minimum wage to inflation.

More than a dozen companies and organizations are registered to lobby on the subject of affordability as well.

Standouts include the Canadian Federation of Apartment Associations (CFAA), a group that describes itself as the "sole national voice speaking exclusively for the rental housing industry," including private landlords. According to its lobby filing, the CFAA "is seeking increased funding for housing benefits or other direct assistance to tenants in order to address housing affordability." That's on top of a host of other issues that would benefit landlords, including "more favourable tax treatment of the rental housing industry."

> Democracy Watch has been calling for more transparent lobbying as well as opposing changes that the group says would open the door to lobbyists fundraising for politicians and then lobbying them soon afterwards.

The Mortgage and Title Insurance Industry Association of Canada (it represents a group of private-sector mortgage default insurers), the Canadian Home Builders' Association and the Ontario Home Builders' Association are also registered to lobby on subjects related to housing affordability.

On the union side, Unifor is registered to lobby on the National Telecommunications plan "with respect to the regulation and affordability of telecommunication services."

One of the Liberal government's big-ticket items linked to the issue of affordability is child care, with the new $10-a-day national child care plan being heralded as a game changer for cash-strapped families. The Ontario Chamber of Commerce is one organization registered to lobby on improving "long-term affordability and accessibility of child care," as it relates to "women's economic empowerment," alongside groups like the Canadian Women's Foundation, Canadian Nurses Association, Public Service Alliance of Canada, Generation Squeeze and YWCA Canada, among others.

Pharmaceutical giant Johnson & Johnson Inc. is another corporation registered to lobby on child care, as well as other issues, alongside the Association of Day Care Operators of Ontario.

As for which public office holders are being communicated with by lobbyists and how frequently, a quick search of the registry on communications with Finance Minister Chrystia Freeland, who has been leading the affordability file for the government, shows that between January and July of 2022, 45 communication reports were filed related to lobby activity directed towards Freeland. That represents a slowdown of about 28 per cent just as affordability concerns started to take hold, compared to the 60 reports that were filed over the same period in 2021 while the country grappled with the health and economic impacts of ongoing waves of COVID-19.

Organizations and companies that reported communicating with Freeland in 2022 include the following: Toronto-Dominion Bank, PayPal Canada, the Public Service Alliance of Canada, the Canadian Produce Marketing Association, Imperial Oil, Cenovus Energy, the Federation of Canadian Municipalities, Pfizer Canada, and the David Suzuki Foundation, just to name a few.

While lobbying is unquestionably an important part of how civil society groups and other stakeholders can have their voices heard by the federal government, there are many ways the transparency of the system could be improved.

Non-profit organization Democracy Watch has been calling for the closure of loopholes it says allow for less transparent lobbying, as well as opposing changes to the Lobbyists Code of Conduct that the group says would open the door to "favour trading" by allowing lobbyists to fundraise and campaign for politicians and then lobby them soon afterwards.

Lobbying is just one part of the complex ecosystem that feeds into public policy work in Ottawa, which includes voters, political parties, think tanks, unions, corporate interests, citizen advocacy groups and many others. Ultimately, resources like the federal Registry of Lobbyists are a valuable window into that world for anyone interested in observing the business of government. Why not try a search yourself at lobbycanada.gc.ca and see what you can find? M

JAMES CASEY AND TAYLON MCRAE-YU

Higher education, higher prices

The cost-of-living crisis facing students in Canada

As post-secondary students across Canada return to regular in-person classes for the first time since the beginning of the COVID-19 pandemic, many are finding themselves at the crossroads of competing national crises and priced out of life.

Students are experiencing a cost-of-living crisis exacerbated by decades of decreased funding for public post-secondary education, a lack of affordable housing, historically high rates of inflation that have outpaced stagnant wages, and rising household debt. Meanwhile, Canada's failure to federally mandate and fund access to post-secondary education as a national priority means that provincial governments and institutions have adapted to funding models that rely on privatization, corporate interests, increased debt loads, and exorbitantly high tuition fees for international students.

Inadequate funding

Existing federal programs for post-secondary students are insufficient to meet the moment of crisis students are currently living in. Over the last 30 years, the federal government has contributed about 39 per cent less funding per student, leading to institutional funding models that rely on private funding, predatory tuition hikes for international students, and passing on higher debt loads to student borrowers.

Throughout the pandemic, students saw a significant decrease in income and employment opportunities. Federal funding programs like the short-lived Canada Emergency Student Benefit were reactive and provided funding only to full-time domestic students while excluding part-time and international students from support. In addition to being exempt from many funding relief programs, international students face exorbitant tuition costs and they are disproportionately affected by inflation.

Astronomical tuitions—especially for international students

Compared to the national inflation rate, tuition fees at Canadian institutions are rising at astronomical rates. Adjusted for inflation, the average domestic undergraduate student pays $4,500 per year more than students 30 years ago, and the average domestic graduate student pays $5,200 per year more than students in that same period. The average yearly tuition fees for international undergraduate students in 2021 were $33,623—more than five times the already high tuition fees paid by domestic students.

Going into debt is the only option for many students to be able to pay these tuitions. Rising levels of debt among students are increasingly worrying, given that student debt is accounting for more insolvencies every year. Nearly one in five insolvencies in Ontario in 2018 included student debt.

Cost of living crisis

Students face many financial barriers to affordable living, especially with rising costs in the housing market. Home ownership is unattainable for many and, at best, is something that most students and recent grads could only consider decades into the future, once all their student debt is paid off. With on-campus residency options for university students averaging well over $10,000 annually and the average income for full-time students being $36,474 per year, students are finding it increasingly difficult to find affordable housing while also dealing with the rising costs of living.

For students who choose to live off-campus, the cost of living in big cities adds up quickly and makes this option unattainable for many low-income students and young people in general. For example, for those living in the Greater Toronto Area, where more than 200,000 students are enrolled in post-secondary education, the average cost of a one-bedroom apartment in June 2022 was $2,192 per month. For a unit at that price to be affordable, a student would need to make more than $87,000 per year—well over twice as much as the average full-time student's salary.

Food insecurity is one of the most significant impacts of rising inflation on students. Although food insecurity is a challenge for many students across Canada, Two Spirit students, students in precarious living situations, and students with children are experiencing the most severe food insecurity.

Indigenous, Black, and racialized students, queer and trans students, and international students are 3.5 times more likely to experience moderate to severe food insecurity than white students. There is an intrinsic link between food insecurity and declining mental health among students, but the stigma surrounding food insecurity forces many to suffer in silence.

Canada needs to prioritize post-secondary education

Canada's student cost-of-living crisis has been exacerbated by decades of defunding to post-secondary education, the ongoing affordable housing crisis, and historical inflation rates. As fears of a global recession continue to loom, we are at a pivotal moment in history. It has never been more imperative to invest in the workforce of tomorrow through free and accessible post-secondary education for all today.

First steps to removing barriers

1. Move towards a 50:50 funding model for grants and loans shared by federal and provincial governments;

2. Boost direct federal funding in the social transfer by a minimum of $3 billion, ensuring that funding keeps up with inflation and enrolment growth while requiring accountability and transparency for federal funding; and

3. Immediately freeze international student tuition increases while providing funding for affordable housing vouchers, public health insurance, and removing the 20 hours per week working cap. M

TRUTH BOMB

by **DAVID MACDONALD**

THIS ISN'T A RECOVERY LED BY WORKERS' WAGES.

Corporate profits are capturing more economic growth than in any previous recession recovery period over the past 50 years while inflation is eating into workers' wages.

Over the past 50 years, Canada has experienced six recessions. In the 1974, 1990 and 2008 recessions, workers ended up better off than corporations. In the 1981 and 2020 recessions, corporations had the upper hand.

Corporate profits saw an unprecedented 2.8-point increase during the pandemic recovery. This is more than three times larger than the next highest recovery of corporate profits, in 1981.

On the flipside, workers have lost ground in this recovery, losing 0.8 points of GDP two years since the recession began.

The corporate sector has managed to capture an unprecedented portion of the gains from the current recovery.

At the same time, inflation is whittling away at workers' real wages. The net result is a historic realignment of who benefits from economic growth in Canada, shifting away from workers and toward the corporate sector.

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LOUIS-PHILIPPE ROCHON

Inflation and the general ineffectiveness of monetary policy

THERE IS NO denying that inflation has become a major economic and political problem, reaching almost double digits in many industrialized countries. Canadians hear about it, and we certainly see it at the pumps and in the grocery stores, with many increasingly struggling to meet their weekly and monthly expenses. The fundamental question that we must ask now is what can our institutions do to bring inflation back down?

To answer this question, we must first understand what causes inflation. Most economists will tell you that inflation is the result of excess demand or excess money—the "too much money chasing too few goods" analogy. But theoretically and empirically, this is rarely the case. The idea that inflation is demand-driven is a myth.

Nevertheless, it is a story that resonates deeply with many of our policy-makers, including our central bankers. As such, it explains current policies to reduce inflation and their complete reliance on changes in interest rates, leaving no role for fiscal policy. Indeed, as we have witnessed over the last few months in Canada and around the world, interest rates have increased dramatically, including by a whole point in Canada on July 13. This is what I call "monetary policy dominance."

We are told that such cumulative changes will dissuade consumers and businesses from spending, which in turn should increase unemployment (just a little, it is argued) and therefore reduce inflation and result in an economic soft landing. This is the demand-driven explanation of inflation: curtail demand by raising interest rates, and inflation should come down with little impact on economic activity and labour markets.

But the chorus of those doubting this scenario is growing, and many economists are now warning about the inevitable collapse of the economy and the coming recession. Moreover, some are pointing out, rightly, that higher interest rates can contribute to higher inflation by increasing borrowing costs that are passed on to consumers.

No doubt interest rates were too low and had to move back to some "normal" level, although I don't know what that level would be. But putting this question aside, the burning issue remains whether the above story holds? In other words, does it work?

The simple answer is "no"—for a myriad of reasons. The way monetary policy filters through the economy is more complicated than the simple logic the demand-driven narrative presents, and central banks gain considerable advantages by muddying the waters and keeping the story simple. In reality, monetary policy is a rather blunt tool: one or two increases in rates won't solve the problem of inflation. It usually relies on multiple increases in interest rates, the cumulative effect of which is to deflate the economy and create considerable unemployment.

And as CCPA Senior Economist David Macdonald recently demonstrated, rather convincingly, the Bank of Canada has never been successful in reducing inflation without causing severe economic distress to workers.

There is no such thing as a soft landing. The result is always a recession with lost jobs and high unemployment. The burden of fighting inflation has always fallen on the backs of workers. It is in this sense that the use of monetary policy to fight inflation is class-biased: this demand-driven story rests on the notion that we must raise interest rates and create unemployment to get inflation down. In fact, central bankers seem entirely prepared to sacrifice the livelihood of workers in order to attain the inflation target.

But is this really the only approach? Is there no alternative?

Allow me to offer a different story; one concerning the nature of inflation, its causes and its potential remedies that does not rely on sacrificing the well-being of workers. We need to shift the burden away from workers and share it with other players in the inflation war.

First, why fight inflation?

Economists and researchers at the Bank of Canada will tell you that it is important to fight inflation because of the economic burden it imposes on working Canadians: the price of goods increases, and Canadians can't afford as much as before. Inflation debases the value of goods—or rather the money used to buy them—and thus creates consumption inequalities, with lower-income workers being disproportionately affected. This is undoubtedly true, but I suspect that the real reason central banks fight inflation is more sinister: they fight inflation on behalf of wealthy Canadians seeking to protect their wealth.

Indeed, inflation also eats away at the real value of wealth, which at these rates can be quite considerable. Most Canadians are not

"wealthy" or at least nowhere near the same level as, say, the "one per cent." Fighting inflation protects wealth and, in this sense, serves the purposes of the wealthy. Central banks may be independent in theory, but in reality they are quite dependent on the views of financial players, largely to maintain credibility. This begs the question: whose interests do central banks really serve?

Whose interests does the Bank of Canada really serve?

Second, what causes inflation?

As stated above, central banks believe inflation is the result of too much demand. Monetary policy is then aimed at letting steam out of the aggregate demand balloon. I have written elsewhere on why this simply does not work, mainly because inflation is rarely the result of excess demand.

This is particularly the case now. Current inflation is the product of price increases in some raw materials resulting from the war and other disasters, or from supply chain bottlenecks, or from the lack of chips for computers and cars because of a shutdown of large parts of the world economy. None of these causes will disappear as a result of higher interest rates. How does an increase of 100 basis points help with the cutback in Russian oil? How will such increases resolve bottlenecks and get goods moving again? And how will these increases re-open factories and the economy? The answer is they won't, and the truth is central banks know this and have said as much. But they still insist in increasing rates in order not to lose faith: financial players expect central banks to do something. So it becomes a game of credibility. Indeed, central banks were accused of being irresponsible for waiting so long before raising rates.

Third, what is the true nature of monetary policy?

If inflation is rooted in conflict, so is monetary policy. We tend to see interest rates as a cost—a cost of investment, a cost of production, a cost of borrowing. But they are more than that: they are also a source of revenue—a revenue for those holding various assets, like bonds, which pay a return. When interest rates go up, this also raises the return on those assets, and hence it is a gain for asset holders.

In this sense, monetary policy is about income distribution: you raise rates, you increase the revenue to asset holders while also creating unemployment, lost jobs and loss salaries. This is the very definition of social conflict. Hence, the true transmission mechanism of monetary policy is through income distribution and social conflict. This is the reality. It's what one Canadian economist calls "the revenge of the rentier."

Fourth, what role can fiscal policy play in fighting inflation?

As I indicated above, I suggest shifting the burden of fighting inflation away from workers, or at least spreading it around. After all, why would we expect workers to bear the biggest burden of this fight? In addition, much of the current inflation is profit-driven, which suggests that the current anti-inflationary policies are creating staggering levels of inequalities between the working class and the big corporations.

This is where I think fiscal policy has a role to play. Fiscal policy is just as effective for fighting inflation, if not more so, than monetary policy. The biggest advantage is that fiscal policy can more specifically target the causes of supply-side inflation, rather than the blanket approach that is monetary policy. For instance, it could impose and raise taxes on profits, or even impose ceilings on price increases. I would go even further: given current levels of profits, why not an across-the-board rollback of prices by, say, five per cent? Draconian? Well, Laurentian University imposed a five per cent reduction on faculty wages. Why is it allowed for some but not for others?

Fiscal policy can also be used to control the price of pharmaceuticals, impose a sizeable tax on stock buybacks (or ban them altogether—but that's another story), and increase taxes on the wealthy.

Most importantly, we need to expand output. Public investment toward a greener economy. Public banks, which I have been advocating for several years, can be used to transform our economies into green machines. These banks can also be used effectively to repair our failing infrastructure.

These policies should have minimal impact on workers. As a colleague recently wrote, all that is now required is the political will to act. M

MARIA RIO

Cost of food at a crisis level

As we grapple with yet another wave of COVID, the parallel poverty crisis in Toronto has been exacerbated past its breaking point and will have enduring societal impacts.

This is no surprise. According to the most recent municipal data, one in five Torontonians experienced food insecurity in 2019. Hunger is a well-documented issue in our communities and not much has been done to alleviate it. In 2022, with increased inflation, low social assistance rates, and unaffordable housing, it's now one in four struggling to make ends meet, with no relief in sight.

At The Stop Community Food Centre, we have seen the stark reality of this startling statistic and we're worried about the impacts a possible recession could have on our neighbours.

For those unfamiliar with The Stop, we're a community hub embedded in Toronto's West End. We offer emergency food access services, community-building programs, and urban agriculture. We believe that culturally appropriate, sustainable, and nutritious food is a human right, and a powerful gateway to address a range of social issues. Many people walk through our doors for a meal or a food hamper and then engage in our other programs, from our community cooking groups to our income tax clinic, to participating in the restorative practice of growing your own food and taking some of the harvest home to enjoy. Our holistic community food centre model was borne out of the recognition that food insecurity is a symptom of poverty, and thus is connected to several other complex issues, such as social isolation, poor health, a lack of belonging and more.

For many, COVID has brought the wealth gap into sharp focus. Right now in our own city, too many families are forced to make the impossible choice between paying rent or buying food. As more people run out of other "options," such as going into credit card debt or using predatory payday loans, they turn to emergency services like our drop-in meals and our food bank hampers. The continued economic crisis is resulting in an unprecedented—and still increasing—demand for our emergency food access services. For example, in the past two years we have seen a 40 per cent increase in files at our food bank (each file represents a household of one to nine people). In just the past year, between March 2021 and March 2022, we have experienced a 30 per cent increase in the number of people using our food bank.

The cost of food is at a crisis level. It's more difficult for our community members to make ends meet with reduced purchasing power and inadequate institutional supports, and it's more expensive for organizations like ours to operate our essential services. Like most nonprofits providing front-line services, our organization is experiencing the impacts of inflation. The cost of providing a single food bank hamper rose from $44 in 2021 to $53 in 2022 (an almost 20 per cent increase in just one year), and comparing costs of individual items from 2019 to 2022, we have seen a 20 per cent increase in the price of kale, a 72 per cent increase for oranges, 16 per cent for bananas and 119 per cent for canola oil.

We are stretched thin at a time when our community members need us more than they ever have in our 39-year history. Given the significant toll the pandemic has had on restaurants and local businesses, The Stop has also seen a decline in food drives and donated food items from partners. With limitations on our budget, our community chefs and frontline staff continue to serve

The cost of food is at a crisis level. It's more difficult for our community members to make ends meet with reduced purchasing power and inadequate institutional supports, and it's more expensive for organizations like ours to operate our essential services.

fresh, delicious and nutritious meals and to create hampers using a combination of donated items, cost-effective nonperishable goods and fresh local produce.

I personally have accessed emergency food services in Toronto in the past. I know the significant role they play in keeping families afloat during challenging times. They are there when you just can't stretch your budget anymore. They're a lifeline when people don't know where else to turn, when they're in debt, or when they don't have friends or family to support them.

We know that our work fulfills an immediate need, and to support a sustainable, long-term recovery from these crises, poverty must be treated with the same sense of urgency as COVID: with radical government intervention and accountability.

Our community members have identified increased social assistance rates as one of their top public policy priorities. Ontario's social assistance rates are staggeringly low and have failed to keep up with the cost of living. At current rates, living a dignified and independent life is untenable for those getting assistance from the Ontario Disability Support Program (ODSP) or Ontario Works (OW).

At The Stop, 67 per cent of our surveyed service users rely on social assistance; 52 per cent of those on social assistance are on ODSP. A single recipient of ODSP will get $1,169 to cover their basic needs this month, with only $497 allocated to housing costs. I urge you to think about the last time you saw a rental for $497. And a single adult on Ontario Works will receive only $733 this month to cover all of their expenses. These are impossible amounts to survive on, much less thrive. Both ODSP and OW fall below the threshold for what Ontario's Poverty Reduction Strategy deems to be deep poverty, meaning that these forms of social assistance, which are meant to provide critical income for individuals to cover their basic needs, simply keep Torontonians in poverty, sustaining a need for our essential services.

Guaranteeing a living wage for all would play a crucial role in improving food security. The Ontario Living Wage Network has advocated for a living wage that reflects the cost of living a full and vibrant life in urban centres like Toronto. The current living wage in Toronto is calculated at $22.08 per hour, which is $3,827 a month or just over $43,000 a year. A single person making a minimum wage of $15.50 per hour in Ontario right now is earning only 70 per cent of what the Ontario Living Wage Network has established is a living wage in Toronto. For those on social assistance or not making a living wage, living in urban centres like Toronto is often impossible without relying on community programs and mutual aid projects for support. The best way to support our communities is through increased income.

Using data from the Daily Bread Food Bank, a report from the School of Public Policy at the University of Calgary shows the concrete implications of legislative decisions relating to social assistance rates and wages. The researchers report that the use of essential services like food banks demonstrates a direct correlation to increases in rent, and an inverse correlation to increased disability benefits and minimum wages. Alarmingly, "a $30 per month increase in rent would lead to 73,776 more visits to food banks annually in Toronto and 375,512 more visits across Ontario." In other words, as basic costs, such as rent and food, increase and as purchasing power decreases, we will continue to see more of our neighbours resorting to the critical supports organizations like The Stop provide.

It's evident that income-based, institutional interventions are transformative: they enhance an individuals' quality of life through a greater sense of agency, improved mental and physical health, and dignity. Legislation is uniquely capable of making such changes possible, and without significant policy changes, the need for essential services will continue to increase, as will social isolation and poor mental and physical health outcomes. Looking ahead, The Stop will continue to tackle entrenched, systemic inequality and advocate for meaningful change, such as a living wage and increased social assistance rates. We will continue to advocate with and for our community for affordable housing and appropriate support, especially during the upcoming municipal election.

Nonprofits can serve meals, provide food access, make referrals to local services and deliver skills training, but we cannot give our communities access to income that will allow them to buy their own groceries, to pay for rent, to keep up with inflation, to save for retirement or to support their families. Through our services we can address the symptoms but not the root causes of some of the defining issues of our society, such as income inequality, homelessness, and food insecurity.

Living a dignified life with access to fresh food should not be a privilege for the wealthy, it should be the bare minimum for all. It is time to step up as a community, support our neighbours, support local nonprofits and mutual aid groups, and demand better supports for those who are being systematically kept in poverty. M

MORNA BALLANTYNE

The road to $10 a day child care could be bumpy

More affordable, yes—but it's only the first step

ONE YEAR AGO, the federal government entered into a new five-year child care funding agreement with the government of British Columbia, providing the first installment of federal money to make licensed early learning and child care programs more affordable, accessible, and inclusive.

The federal government quickly reached similar agreements with other provincial and territorial governments, apart from Quebec, whose "asymmetrical" agreement is funding the province's plan to add 30,000 spaces to its publicly funded low-fee child care system.

While there is yet to be a full public accounting of how federal child care funds have been used, we know every government has focused mainly on spending measures intended to make fees for licensed child care more affordable for parents. Given the rapid rise in the cost of living, that's a welcome and important objective. Most parents who are able to secure a licensed child care space will see fee relief.

But how successful they are in moving towards "affordability" and which households benefit depends on what approach the provincial and territorial government has taken, and on how affordability is defined.

The 2021 federal budget promised that the "government will ensure that families in Canada are no longer burdened by high child care costs [by] bringing fees for regulated child care down to $10 per day on average within the next five years. By the end of 2022, the government is aiming to achieve a 50 per cent reduction in average fees for regulated early learning and child care to make it more affordable for families."

The provincial and territorial governments are taking several different approaches to calculating what constitutes an "average" fee reduction. Most are moving to bring down average out-of-pocket costs of parents rather than actually reducing the fee charged to parents by the operator. Several jurisdictions are doing this by modifying individual parent fee subsidy systems rather than reducing the "sticker price" of child care.

Bringing down licensed child care fees will not make it affordable for all unless the varying factors affecting parents' ability to pay are taken into account. An average out-of-pocket fee of $10 a day for each child is still prohibitively expensive for low-income households, especially those with more than one child. In reality, the most economically disadvantaged families may continue to lose out.

Additionally, only a small fraction of households will benefit from fee reduction if federal, provincial and territorial governments don't figure out how to increase the number of not-for-profit and public licensed programs and take measures to ensure equitable distribution of their supply. Canada's child care advocates have been working for decades to convince governments to build a publicly funded and managed Canada-wide system of low fee or free child care in order to address the many inequities of access.

The main barrier standing in the way of expanding availability of affordable licensed child care is the widespread shortage of qualified early childhood educators, combined with failure by all levels of government to stop relying on the child care market to deliver supply.

In an open letter to the federal, provincial and territorial ministers with primary responsibility for early learning and child care, Child Care Now, Canada's national child care advocacy association, called on them to put in place a comprehensive workforce strategy that includes raising the wages of early childhood educators and others who work in the sector, and putting in place pensions and employment benefits.

Governments must also take direct responsibility for ensuring that there are sufficient licensed programs to meet the needs of children and families in all their diversities while also respecting First Nations, Métis and Inuit rights and jurisdictions.

Building a Canada-wide system of high quality, affordable and inclusive early learning and child care for all will take time. It has taken countries like Sweden, Norway and France three decades to bring their programs to maturity. The best way to secure the project is to oblige provincial and territorial governments to develop comprehensive service expansion strategies, including a workforce strategy, to strengthen the availability of early learning and child care without compromising quality. M

JIM STANFORD

Corporations eat fat, workers eat lean

THE SURGE IN global inflation following the relaxation of pandemic restrictions is a tectonic development that will alter economic and political outcomes for years to come. It is already clear that the conventional neoliberal medicine for this problem—monetary tightening being pursued aggressively by central banks around the world—will be worse than the disease.

Financial markets are falling sharply, riskier assets (from cryptocurrency to emerging market debt) are collapsing, and overvalued real estate bubble prices are bursting. There is a growing consensus, even among mainstream economists, that an international recession is imminent, possibly sparking another broader financial crisis.

In this context, it is clearly not the inflation itself but the unthinking and unapologetic application of conventional neoliberal anti-inflation policy that is the bigger problem.

Central bankers acknowledge that the causes of this inflation are unique and—to some extent—temporary side effects of the pandemic. They admit that this is different from the wage–price spiral of the 1970s that neoliberal monetary policy wrestled to the ground. But after some initial hesitation, they have now invoked that textbook policy response with renewed vigour. Interest rates will be increased to reduce inflation back to the target of around two per cent in most countries, no matter what.

Central bank intransigence on the matter of interest rates is a harbinger of the mass economic and social destruction to come. Once again, reducing inflation has been elevated above all other economic, social and environmental priorities.

Progressives around the world are grappling with how to understand the causes and consequences of this inflation. While both the policy and the politics of this problem are complex, some features of the current moment are crystal clear.

First, it is undeniable that current inflation has virtually no connection to trends in labour markets, wages or labour costs. Yes, unemployment declined quickly in most OECD countries as economies reopened and, in some cases, reached historically low rates. The faster-than-expected rebound in labour markets reflects many factors, such as the impact of massive fiscal injections by governments earlier in the pandemic, which stabilized purchasing power, as well as employment relationships and housing arrangements.

But wages have not taken off in response to lower unemployment. And this fact attests to the preeminent role played by institutions and structures—like collective bargaining, minimum wages and pay norms—in shaping income distribution rather than simple supply-and-demand forces.

Another undeniable feature of the current inflation is how the corporate sector is profiting immensely from it. I have analyzed Canadian macroeconomic data showing record-breaking corporate profits coinciding with accelerating inflation. Canadian after-tax corporate profits reached their highest share of GDP ever in the first quarter of 2022, as inflation surged. After-tax profits grew by 11 per cent in just three months, to an annualized total of over $500 billion.

Meanwhile, workers' wages are lagging far behind inflation, producing a decline in real wages and a shrinking labour share of GDP. Despite a historically low unemployment rate (of just above five per cent), nominal wages are still growing more slowly in Canada than in 2019, before the pandemic. Yet inflation has more than tripled.

The non-relationship between wage growth and inflation casts further doubts on the effectiveness of conventional monetary medicine.

In short, abundant evidence confirms the current surge in inflation is being led by the corporations who set the prices for the things we buy, not the workers who make them. Evidence from elsewhere—including the United States, the UK and Australia—indicates this is the case in other industrial countries too. Yet central banks seem determined to make workers pay to reduce inflation that they clearly did not create.

Workers aren't to blame

The first step in constructing a progressive narrative of this moment is rebuffing the argument that inflation is the "fault" of workers. To do this, we need to call attention to the fact that corporations—especially in high-inflation sectors like energy, housing, and groceries—are benefiting from the inflated prices workers are paying.

But that is only part of the story. We also need a better understanding of *why* corporations have been able to exert such pricing power in the wake of the pandemic. If they have autonomous power to gouge consumers by jacking up prices, why didn't they use it *before* the pandemic (when inflation was low)?

It's easy to prove that corporations are the ones winning from current inflation.

It's hard to believe there's been a sudden uplift in oligopolistic power, giving companies more ability to unilaterally raise prices. There is clearly a macroeconomic context to this problem, including demand-side factors that validate the higher prices.

This complex question needs further research and discussion. It is likely that what we're seeing reflects the ways in which pre-existing corporate power can take advantage of the unique conjuncture of circumstances in the immediate post-lockdown economy.

The impact of COVID income-support payments and other fiscal stimulus must also be carefully acknowledged. In most OECD countries, those payments fully protected aggregate incomes received by the household sector—although certain groups of households obviously lost income. In several of these countries, including the United States, Canada, and Australia, aggregate household income increased during the pandemic lockdowns. These supports saved millions of jobs and prevented millions of people from being thrown out of their home.

However, the effects of these interventions on spending power are undeniably part of the context for current inflation. Acknowledging this suggests that this inflation is, in part, a side effect of an effective response to an enormous, much worse problem.

Countering the right's arguments

The left badly needs a stronger sense about what to do about current inflation—including arguments about how to challenge the role of swelling profit margins in driving it. A typical response to the charge that powerful corporations are jacking up prices is to argue for tougher competition policy.

Proposals for seeing this through include breaking up large firms, banning particular anti-competitive practices (including those in the labour market, like no-poaching and noncompete clauses), and other measures to reduce corporate pricing power. This strategy needs to be approached with caution. More decentralized, competitive market structures are usually associated with worse wages and conditions for workers and greater instability and precarity in the economy as a whole. In some cases, competition creates more problems than it solves.

However, there are other tools to combat corporate profiteering and resulting inflation. These include:

- Direct price regulations or price controls in certain strategic industries. Energy prices would be a good place to start;
- Redistribution of excess profits back to households or workers, through targeted taxes on profits (such as those now being imposed in the UK on energy companies or in Canada on major banks); and
- Ambitious efforts to expand public provision in key sectors experiencing high inflation. Ramping up supply of non-market housing would be a good example of using public provision to reduce speculative inflation and profiteering.

All of these measures would take time to have an effect. An immediate challenge to swollen profit margins could take the form of a fight to defend workers' share of total output by increasing wages. That won't make inflation worse, but it won't cure it, either.

In this context, it makes some sense to simply tolerate higher inflation for a while. The costs of moderate inflation, even for workers, are definitely overstated by the hawks. The best course of action may entail taking other measures to address high inflation's underlying causes (supply disruptions, energy prices), while fighting to defend workers' real incomes.

To the limited extent that strong domestic spending power contributes to—or at least validates—inflationary pressures, it should be tackled through more targeted and fair measures to dampen demand.

Countercyclical fiscal policy largely fell out of favour under neoliberalism, but it has proved its worth during the pandemic. Targeted fiscal measures—such as tax increases for higher-income households and corporations—could cool off domestic spending power without sacrificing the living standards of poor and working people.

Other policies might aim to *defer* domestic spending power (rather than destroying it). For example, establishing extra incentives for workers (who can afford it) to deposit extra funds into tax-assisted pension vehicles, or offering cost-of-living bonuses that come into effect at a later date.

The current surge in inflation is unique, complex and not fully understood. What is clear, however, is that workers didn't cause it, workers' incomes are being eroded, and corporations are making out like bandits.

The way out of this quandary is for workers' movements to reject the underlying neoliberal arrangement in which excess capacity—in essence, a reserve army of workers—is always available to discipline labour and control inflation.

It will take years of educating, organizing and struggle to win any of those remedies. The labour movement must stubbornly resist the system's efforts to make workers pay for a crisis they didn't create. M

A version of this article was originally published in *Jacobin*: https://jacobin.com/2022/06/canada-inflation-corporate-profits-supply-workers/.

MARC LEE

Understanding the impact of inflation and higher interest rates

THE COST OF living is going up and it's putting strains on household finances. Canada's headline inflation rate hit 7.7 per cent in May, measured by the Consumer Price Index (CPI). That's the highest that inflation has been in Canada since 1983, prompting the Bank of Canada to continue raising interest rates in an attempt to cool down the economy.

The problem is that much of the inflation we are seeing is *externally* driven, due to supply chain impacts of war, COVID-19 and climate-driven natural disasters. This means that higher gas and food prices won't go away just because the Bank of Canada raises interest rates.

Driving the economy into a recession will have significant consequences that are not being fully discussed in the current bid to fight inflation. Indeed, workers who are already struggling with rising prices don't need a kick in the back from the Bank of Canada.

Nationally, research from the CCPA's David Macdonald found that two-thirds of workers have had wage increases that have not kept up with inflation. Unemployment rates are consistent with 2017–2019 levels. The domestic economy is not overheated and in need of cooling down.

Breaking down the recent spike in the CPI, three areas stand out: transportation, housing and food.

Transportation costs are up 15 per cent over the past year, although gasoline prices are more like 40 per cent higher. Due to Russia's invasion of Ukraine, world market prices for crude oil have shot up, and this is reflected in higher prices at the pump.

Oil and gas companies in particular have made out like bandits with massive profits, showing that not everyone loses from inflation. Following on the federal budget's push for windfall profits taxes on Canadian banks, these taxes could be applied more broadly, to oil and gas in particular, at a time when corporate profits are at record levels.

The United Kingdom recently announced such a windfall profits tax on oil and gas companies to be used to provide transfers to low- to moderate-income households.

Higher food prices, up 9 per cent, are attributable to the war in Ukraine, which is a major grain exporter, and higher fertilizer and energy costs. But recent profit reports from supermarket heavyweights like Loblaws and Sobeys point to increases for consumers above and beyond higher costs. These companies may also be a good fit for a windfall profits tax.

Ensuring food security for vulnerable and low-income households should be a top priority for all governments. A recent survey found one-quarter of Canadians, and half of those with income under $50,000, were eating less than they should due to high food prices.

Housing prices have also surged over the past few years, but top of mind should be the rental market. Rentals.ca reports that the cost of rent for the average newly rented one-bedroom in Vancouver shot up by 18 per cent, and two-bedrooms by 24 per cent, over the past year. Rents in Vancouver are the most expensive in Canada, followed by Toronto, where one-bedroom rents increased by 15.7 per cent and two-bedroom rents went up by 21.5 per cent. This is much larger than the inflation rate for housing, as that number is averaged over all households.

On the ownership side, the recent period of very low interest rates allowed people to take on much larger mortgages and encouraged more investors in secondary properties, both of which have substantially boosted home prices. With higher interest rates, it will take households much longer to pay off their mortgages, and they will face larger monthly payments when it comes time to renew.

Higher rates also raise the cost of new housing construction just as rental housing construction

Governments should make food security for low-income households a top priority; followed by cheaper rents.

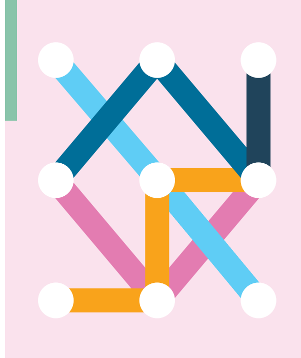
was picking up across the country. The federal government should continue its Rental Construction Financing Initiative, which provides low-cost financing, albeit with stronger affordability criteria given to for-profit developers, and greater access to funds by non-profit developers.

Provincial governments should also step up where they have the capacity to shape incomes. British Columbia's minimum wage just went up to $15.65 per hour, supposedly to cover inflation, but this is only a 2.8 per cent increase. In places like Manitoba ($11.95 an hour) and Saskatchewan ($11.81 an hour), the minimum wage has been suppressed for far too long. Those provinces have the lowest minimum wage in Canada. They're promising to start increasing it beginning in October 2022, but for minimum wage workers struggling with the rising cost of living, it's too little too late.

Provincial and federal governments should also increase transfer payments to more directly mitigate the challenges faced by vulnerable groups and low-income households. This approach was used effectively a couple of years ago during the COVID response, with increases to child tax benefits and the GST tax credit. These can be delivered quickly to low-income households who need the boost.

In addition, provincial governments' paltry income assistance rates need to be substantially increased, a problem that precedes the current round of inflation. Provinces should also increase rental housing supports provided to seniors and low-income households, as well as expanding the eligibility for those programs.

There's much more to fighting inflation than raising interest rates and hoping for the best. There is a lot of fiscal capacity available for governments to step up and help people affected by the rising cost of living. People need it now more than ever. M



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BY ALYSSA O'DELL

80 per cent

The proportion of average income that renter households in the lowest income quartile spend in British Columbia on rent and utilities. It's 73 per cent in Ontario, and around 60 per cent in the Prairies and Atlantic Canada. The typical benchmark for housing affordability is spending less than 30 per cent of before-tax income on rent plus utilities.

1.6 million

The number of households in Canada that were in need of core housing, defined as living in an unsuitable, inadequate or unaffordable dwelling and not able to afford alternative housing in their community. Seniors living alone and visible minorities are among the most likely to be in core housing need.

$966.08

The potential cost increase predicted for a family of four's food needs in 2022, compared to 2021. In May, the Consumer Price Index showed prices for food purchased from stores were up 9.7 per cent versus the previous year. Fresh vegetable prices were up 10.3 per cent, while the cost of edible fats and cooking oils gained 30 per cent, the highest increase on record.

7 in 10

Number of drivers who say they're worried they won't be able to afford to fill up at the pumps this summer amid surging gas prices. Meanwhile, Canada's 10 largest oil and gas companies reported $29 billion of pre-tax profit in the six months from October 2021 to March 2022. That's $10.8 billion more than their next best six-month period (January to June 2019) over the pre-pandemic years 2011 to 2019. Before the pandemic, the top oil and gas companies had an average combined profit margin of 11 per cent. Through 2021, they pushed that margin to 15 per cent, reaching 21 per cent by the first quarter of 2022.

1/4

Roughly, what portion of increased consumer costs could be driven by soaring corporate profits. Corporate profits have increased by $22.9 billion since 2019, which accounts for 26 per cent of the increase in consumer prices. An additional one-time 15 per cent tax on excess profits for banks and life insurance companies was outlined in the 2022 federal budget, but so far has not been extended to other sectors raking in record profits, like grocers and oil and gas companies.

$28 billion

The amount that a small wealth tax (one to three per cent) on the wealthiest one per cent of Canadians could yield in just one year, to help pay for public services that make life more affordable for everyone. That could turn into $363 billion over a decade.

3 years

Time it took for the City of St. Catherines, Ontario, to study and be certified as a living wage employer, making it the second largest municipality in Canada to do so. Vancouver and Victoria are also on the list of top living wage municipalities. Living wage varies in Canada, reaching $18.90 in the Niagara region and $20.52 in Metro Vancouver.

SOURCES: CANADA RENTAL HOUSING INDEX, STATISTICS CANADA, DALHOUSIE AGRI-FOOD ANALYTICS LAB, IPSOS, CANADIANS FOR TAX FAIRNESS, CCPA ANALYSIS (ALEX HEMINGWAY, DAVID MACDONALD), BUDGET 2022, ONTARIO LIVING WAGE NETWORK, LIVING WAGE FOR FAMILIES BC.

ALEX HIMELFARB

Power, profit, and the politics of inflation

THE CONSUMER PRICE Index (the major measure of inflation) rose 8.1 per cent in June compared to last year—the biggest jump in almost 40 years.

While most experts are saying that this may be the peak, that the worst may be behind us, we shouldn't expect prices to drop significantly anytime soon. Inflation will be with us for a while. And we hate it.

We hate it every time we fill up for gas or buy groceries or pay our bills or worry that our pensions won't be adequate to our retirement needs. We hate it, and we want it fixed. A 1997 multi-country survey by economist R.J. Shiller found most people believe that inflation should always be a national priority. And we're usually looking for somebody to blame. Inflation is a hot button. Paul Krugman recently wrote that no topic brings him more hate mail than when he writes about inflation.

The pressure on governments to act is intense, and the now ritualistic response is in full swing: interest rates on the rise, spending restraint, warnings of more to come to ensure that inflation doesn't get out of hand. But is that what's needed for today's inflation, which is driven largely by global events—pandemic and war—even if those events stubbornly refuse to give us specific end dates? Was this ever the best alternative?

We haven't always hated inflation or called for such harsh medicine to cure it. Historian Rebecca Spang traces how concern about inflation rather than the more serious deflation and depression took centre stage when we began to think of ourselves less as producers and more as consumers, an outlook she says hardened in the 1970s and is now axiomatic.

Inflation, in other words, is not just one thing once and for all. As Spang puts it: "The history of inflation isn't skyrocketing prices inevitably caused by the same mistakes. It is, rather, a history of changing words, changing numbers—and most important, the people who change them." The story of inflation is a story of shifting priorities, of winners and losers, of power.

Unsurprisingly, inflation is now dominating political discourse. Governments are being blamed for their spending habits. Central bankers are being blamed for not having seen this coming and for responding too weakly and slowly. Those who constantly warn of the dangers of inflation are rejoicing in their "I told you so" moment, even if, consistent with what's said about the broken clock, they were bound to be right sooner or later. Most important, inflation and more particularly inflation-phobia threaten to upend our public agenda, pushing urgent challenges—climate change, economic insecurity and inequality, social fragmentation, racism and colonialism, failing infrastructure—further onto the backburner.

To understand how our approach to inflation was shaped we need to go back to the 1970s. One particularly useful entry point is the Trilateral Commission, founded in the 1970s by the same sort of folk who now attend Davos. Ostensibly their purpose was to promote cooperation among North America, Japan and Western Europe. But like Davos, the Commission provides a valuable window into what was preoccupying the rich and powerful. They were worried.

Theirs was a time of expanding democracy, both political and economic. Unions were strong. Social movements were pressing for gender equality, individual rights and freedoms, and the expansion of the welfare state to include those who had been left behind. These were heady days. And this was exactly what those in the Commission were worried about.

In 1975 they published *The Crisis of Democracy*, setting out what they perceived as the greatest risk to western democracies. The problem preoccupying them? "An excess of democracy." People were getting too much power, regular people, working people, poor people, people of colour, people who had been excluded from the gains of the welfare state. All hell was breaking loose or so it seemed to the Commissioners. If democracy is always a wrestling match to determine who shapes the future, the powerful few or the many, the powerful few seemed to be losing ground. What, they asked, would be the consequence if "the many" got to be in charge? Expectations would go through the roof, they said. And who would end up paying?

Milton Friedman's view of inflation as always a problem of too much money provided a perfect fit for these concerns. The risk according to this view: a spiral of expectations, higher prices leading to greater demands for wages and government assistance, leading to even higher prices and so on and so on, and eventually to chaos and crisis. The solution: rein in public spending, raise interest rates, snuff out demand; which, in turn, means more unemployment, lower wages, less investment, less help to those in need.

And that's just what we got. Those in my generation will remember the 1973 oil crisis that brought with it soaring inflation and the eventual response: sharply higher interest rates and pressures to contain government spending.

And that perspective still shapes our thinking. Inflation hawks are yet again calling for tough medicine to tighten money, lower expectations and rein in demand. Even many on the left, while they might urge caution about moving too aggressively on interest rates and austerity, also seem to accept that inflation is about too much money and the job is to rein in demand and avoid a wage–price spiral.

But does that make any sense for today's inflation, a global problem, caused largely by a global pandemic and lockdown, and aggravated by the terrible war in Ukraine and the sanctions that followed? One might ask if it ever made sense, or at least for whom.

Let's go back to the oil crisis inflation. In the U.S. Paul Volcker, Federal Reserve chair between 1979 and 1987, is often credited with ending that inflationary spiral, if at great human cost, by raising interest rates to an unprecedented 20 per cent, the "Volcker Shock." But recent analysis, even by the Federal Reserve itself, raises questions not only about whether the cure was worse than the disease but whether the Volcker Shock was the cure at all.

The Financial Times, for example, hardly a centre for left-wing thought, characterized the response to 1970s and 1980s inflation as a major skirmish in the class wars in which the powerful won a major victory, using inflation, buoyed by Friedman's monetarism, as an opportunity to cool down expanding democracy and collectivism and, in particular, to diminish the power that labour had managed to acquire over the previous decades. It attributes the end of inflationary pressures to the weakening of labour. In short, when we ask what works, we really ought to be asking what works for whom.

No doubt sharp interest rate increases generally bring down prices, but we need to understand what that feels like for the young graduate who can't find a decent job, or for workers who lose theirs, or for those who can no longer afford their mortgage payments, or for small business owners who can no longer scrape by.

There are lessons here for understanding the risks we face today and the choices we have for managing those risks. First, as economist Mariana Mazzucato, insists, we must stop treating inflation as a unitary thing, always the same and in need of the same medicine. Instead, we should be looking at which prices are going up and which are not, to see the sources of inflation in the real world as opposed to what it might look like in some economics text.

And we have to stop relying on the almost ritualistic solutions of the past few decades. As Mazzucato writes:

> The last thing we need is a reactive, knee-jerk solution—a rapid rise in interest rates, say—that simply tries to put a break on demand....(T)he source of inflation is not a rise in demand from greater prosperity but rather an exogenous increase in prices from Covid and Ukraine.

Inflation this time around is clearly not being driven by wage increases. Wages have been stagnant for decades, a result of weakened bargaining power—there's a lot of catching up needed. The wage gains we are now seeing are lagging—not driving—inflation and, especially in such underpaid sectors as food and hospitality, should be seen as modestly good news rather than as a risk. Similarly, blaming inflation on the government cheques people and small businesses got to keep them afloat or alive during the pandemic—long since received and largely spent—not only makes no sense, it's churlish.

What we should be addressing is not some highly improbable wage–price spiral but an already evident profit–price spiral. A recent Economic Policy Institute Report shows how major inflation drivers in the U.S. have been turned upside down since 2020. Simply, inflation is now driven primarily by rising profits. As Jim Stanford has shown, it's profit not wages that constitutes an ever-increasing share of the Canadian economy. A report for Canadians for Tax Fairness by D.T. Cochrane describes how corporate profits in Canada are breaking new records and that's true for both commodity and non-commodity companies. Clearly the cost of commodities is not the only reason for rising prices.

The story of inflation has always been a story about power and profit and it's power and profit we should be focusing on in our response. What does that mean in real terms? Here are some examples of measures we could take without destroying jobs and taking us off course.

First, governments should spend whatever it takes to get us out the other end of this relentless pandemic and prepare for whatever bug comes next. That means fixing the gaping holes in our public health and healthcare system.

Second, given that it's those already struggling who feel inflation pain most acutely, governments need now more than ever to ensure that essential services are universally available and affordable. Investments in pharma care, dental care, child care, and seniors care not only address affordability but strengthen the economy and bring more people into the labour market. Caring, it turns out, is not only good for the spirit, it's good for the social fabric and for the economy.

Third, while some income supports are indexed to inflation, too many are not, including most provincial tax credits for children, seniors and people with disabilities. Income supports should be increased and indexed. As Mazzacuto aptly puts it, nobody should ever be forced to choose between eating and heating.

The complaint that "too generous" social programs are the cause of labour shortages not only seriously exaggerates the "generosity" of these benefits, it ignores more plausible explanations: an aging population and a spike in retirements, a lack of affordable child care, and low wages and lousy and unsafe working conditions. Is it any wonder that where we find the lowest wages, in accommodation and food services, we also find the biggest "labour shortage"?

Fourth, one of the most important things we can do both to help families struggling with price increases and to address staff shortages in some sectors is to strengthen collective bargaining and labour protections, especially important after decades of stagnant wages and the increase in employment precarity.

I might add, given my resume, that governments really ought to stop looking at public service and public servants as politically easy targets for cuts when what's needed is more investment in tools and talent to meet our collective challenges. Surely COVID-19 has shown us both the huge importance of the public service and the enormous costs of austerity-driven cuts.

Fifth, for the long term there can be no higher priority—for the planet, for humanity, for all that we value—than freeing ourselves from fossil fuel dependency. And Mazzacuto has made a compelling case for how such mission-driven public investment is also essential for building the new economy. The idea of industrial strategy seems to be making a welcome comeback and what strategy could possibly serve us better than some version of a green new deal?

To some extent price increases reflect years of externalizing the costs of climate change. For example, agri-food experts at Dalhousie University have shown how higher prices for food staples are a result of supply chain kinks caused both by the pandemic and unfavourable weather patterns. As Max Fawcett wrote in the *National Observer*, "while the supply chain disruptions caused by COVID-19 will get better, the potential impact of climate change will only get worse...because the costs we've long externalized, from carbon emissions to plastic pollution, are now going to have to be borne by companies and consumers."

The price of gas and oil poses a particular challenge. We don't want to invest in initiatives that will lock in our dependence and make it even less likely that we'll meet any of our emissions targets. But even here there are some immediate and medium-term measures that could make a difference. What about free public transportation? What about accelerating help to households and businesses for retrofitting homes and buildings?

Sixth, we have to get at excessive profit and the outsized power of big firms to set prices. Nothing would set people's hair afire more than to talk about price controls but we at least ought to consider more rigorous enforcement of our competition laws and to look at how we tax profits. The federal government's decision to implement an "excess profits tax" on the banking industry is welcome, but why not across all sectors?

Indeed, if there is too much money sloshing around—and landing in the pockets of a very few—a straightforward way to extract it is taxes, specifically higher taxes on the wealthy and corporate profits, to ensure that inflation is not simply making the rich richer but also to strengthen our collective toolkit to get done what needs doing and to contribute to rebalancing power.

Our challenge goes beyond a list of policy options. To address inflation, we have to get at the structure of our economy: the impact on prices of corporate concentration; the high cost of fragile global supply chains; the hidden costs of climate change and environmental degradation and our too slow response to both; how our tax policies contribute to a transfer of wealth to the already wealthy; how treating housing as a commodity for investment and speculation turned shelter costs into a national crisis; and how decades of eroding bargaining power for workers and squeezing social benefits and services made it much harder for many to manage day-to-day expenses, let alone spiking prices.

We have long been told that we can't afford the society we want, that mitigating fiscal risks—particularly runaway inflation—takes precedence over all else. But we must decide, in this age of crisis, just what's most important to us. That means weighing fiscal risks against the risks posed by climate change, by inequality, by social fragmentation. We might even ask whether inflation a few points higher than the "preferred rate" of two per cent is too high a price to pay to meet our collective challenges so long as we ensure access to the essentials and help those already struggling.

What's needed is not more of the same: another round of austerity, cuts to public service, sharply higher interest rates. What's needed is not a lowering of expectations but a raising of aspirations for a more just and sustainable future, for more democracy, for a rebalancing of power. We have alternatives. M

SABA JAVED

The great unaffordable North

"IN ALL THE YEARS I've lived here, I've never seen prices like this in my lifetime."

For Michael Racz, who has lived in the Yukon since the 1970s, grocery shopping this summer has become a bleak back and forth. On any given trip, he travels between four separate stores to find a fairly priced staple amidst nearly bare shelves. The backdrop of empty shelves, Out of Stock signs, and exorbitant price stickers have become commonplace across the country, especially in the North.

In June, Statistics Canada reported the rate of inflation at a staggering 8.1 per cent in June. An important part of that calculation includes the price of food, which shot up by 8.8 per cent over one year.

Though inflation in Whitehorse, Yukon is slightly lower than the national rate, at 7.7 per cent, the upward creep of prices and lighter grocery baskets tell a deeper story than this number alone can account for.

From road closures to telecommunication failures, the Yukon has spent its summer months brushing up against wave after wave of crisis.

As the Yukon warmed up, the territory saw the highest number of wildfires in its history. As they spread, flames licked the edges of communities across central and Northern Yukon.

Amid the thick smoke and floating ash, the Yukon lost access to the North Klondike highway. Then, within days, a massive chunk of the Alaska highway in Northern B.C. washed out, damaging the Yukon's fiber optic line along the way. This left the entire territory cut off from the rest of Canada by land, without Internet, phone services, and Interac just days before the rest of the country froze in response to the now infamous Rogers interruption.

This story of isolation and empty shelves is one that Yukoners are becoming increasingly familiar with. The already slow Internet rates and worsening climate catastrophes of this summer have trained us to, in a way, normalize the relentlessness of the affordability crisis.

Government and industry have the power to cushion the blow of these untenable prices but supports in the Yukon aren't keeping up.

Though supports like social assistance rates are indexed to inflation, the Kafkaesque bureaucracy of these systems has locked the poorest Yukoners into poverty and the working poor are almost entirely shut out from receiving adequate support.

Other solutions to the cost crunch have largely been offloaded onto non-governmental organizations, like the Whitehorse Food Bank and the Yukon Anti-Poverty Coalition (YAPC). The food bank's mandate is to provide emergency hampers of three days' worth of food to folks who are in need, once a month. However, folks who routinely use the food bank seek support more often than once a month.

Kristina Craig, executive director of YAPC, notes that food and housing insecurity is unrelenting for Yukoners in poverty; relief doesn't appear to be on the horizon.

Yukon's minimum wage is a paltry $15.70 an hour, which is much lower than the official living wage. But even the living wage represents the absolute bare minimum that it takes to get by in the Yukon.

The Yukon's living wage for a dual-income, two-child household is released annually by YAPC. This year's report, which is the first since the pandemic began, is notably lower than its predecessor. The 2022 living wage went down to $18.28 an hour, from $19.07 an hour in 2019.

The report noted that prices went up by an average of five per cent and were largely offset by the Canada Child Tax Benefit and universal child care. Even so, the living wage represents the bare minimum that it takes for a family of four to survive; it takes more for them to thrive.

For Yukoners without children or single income households, $18.28 an hour is not nearly enough to live on—especially with relentlessly rising inflation.

"The takeaway is, if government figured out how to make life more affordable for the nuclear family, they need to now find ways to make life affordable for a single person or someone with one child by making public transit, housing and other goods accessible," Craig says.

Right now, the government is languishing in counteracting the affordability crisis. This, coupled with increasingly frequent and volatile symptoms of the climate crisis, will only continue to interrupt, delay, and deny Yukoners' equal access to affordable goods.

For all of the magic of living in the North, it is becoming increasingly untenable for those in the working class. Without government intervention, people living in poverty are at risk of being pushed out altogether. M

MARTINE AUGUST AND ANDREW CROSBY

The rise of the REIT

The financialization of rental housing in Canada

CANADA IS experiencing a permanent rental housing affordability crisis, which has only intensified since the COVID-19 pandemic began. At the same time, we're seeing a greater consolidation of rental housing apartments by financial firms, accelerating the "financialization of rental housing," a trend underway in Canada since the 1990s. This trend has been associated with gentrification and rising rents, displacement and eviction, and negative tenant experiences. In the interest of housing justice, we need policies to protect tenants, guarantee affordability, and de-financialize housing.

Over 40 per cent of Canadian tenants pay more than they can afford for housing. In Canada's largest cities, rents increased by an average of 20 per cent between 2014 and 2019, such that full-time minimum wage workers could find affordable rents in only three of the country's neighborhoods. While the media heralded falling rents during the pandemic, rents continued to rise. Rising inflation that began in 2021 is only making things worse, driving even faster-paced rent increases.

A nation of landlords

Canada is traditionally painted as a nation of homeowners, with two-thirds of households owning their homes. One in five of those homeowners is also a landlord (owning multiple properties), meaning that they profit from high rents.

While the landscape of rental housing has long included small-scale landlords and bigger corporate firms, since the 1990s a new type of firm entered the fray: the financial landlord. These are financial firms that acquire rental housing properties and manage them as investment products, allowing investors to profit from multi-family housing.

Financial landlords include publicly traded firms, private equity, institutions (banks, insurance agencies, pension funds), real estate investment trusts (REITs), and other vehicles that buy and manage real estate for investors. In the past 25 years, financial landlords have dramatically expanded their ownership of rental buildings.

REITs alone rose from owning zero rental suites in 1996 to over 200,000 in 2021. The biggest 25 financial firms together held 340,000 suites in 2021—about 20 per cent of Canada's purpose-built multi-family stock. Some industry experts estimate that 30 per cent of apartments are financialized.

The profit-making strategies of financial landlords

While all private landlords are driven by the profit motive, financial firms are bound to the objectives of shareholders and executives, and their management operates with a fiduciary responsibility to prioritize profit-making above other goals. Investors may expect a certain level of return, and executives may suffer financially if share value falls. As a result, financial firms often engage in aggressive property management strategies to drive higher revenues and reduce expenses.

These strategies raise rents and fees, cut maintenance and superintendent costs, and catalyze gentrification and displacement.

Firms use a few different strategies to "reposition" buildings to be more profitable, or to "add value," in the language of investors. Value can be added by reducing expenses—investing in energy efficiency upgrades and capitalizing on economies of scale (bulk purchasing, harmonizing property management, etc.), but also by cutting costs on maintenance and superintendents, which can worsen tenants' quality of life.

Firms also squeeze out more profit by raising revenues—charging new fees (such as ancillary fees and sub-metering utilities) and by increasing rents. Financial firms raise rents by systematically enforcing annual allowable increases, by applying for "above guideline increases" (AGIs) at high rates, and by capitalizing on "vacancy decontrol" policies that allow for increases of any amount when a unit becomes vacant.

Financialized gentrification occurs in areas where firms reposition affordable units into higher-end suites in coveted market locations, where sharp increases in rents can be applied by hastening the removal of existing tenants and renovating vacant units. A senior executive with Hazelview Investments, an asset manager with over 21,000 suites, described this strategy: "Large cities in Canada are currently experiencing a wave of gentrification," which "is creating a number of compelling opportunities for REITs to experience outsized growth and offer increasing value for investors."

A more recent strategy deployed by financial firms is to intensify development on their owned lands—often large sites with apartments built in the 1960s–1970s and surrounded by greenspace or parking.

Intensification generates new profitable assets either by way of new-build developments or by demolishing existing rental stock and redeveloping the already-built environment, an approach used by firms like Hazelview and discussed further below.

These strategies are not only used by financial firms, but are being adopted by other big corporate landlords, property management firms and small-scale "mom-and-pop" landlords as well.

Why does this matter?

The strategies that enrich investors succeed at the expense of tenants, who pay in many ways. Tenants are negatively affected by firms that cut costs and maintenance, and experience economic hardship through rising rents and fees. Tenants experience stress and anxiety as they live through so-called repositioning. Tenants are harmed by eviction and displacement, which can disconnect them from their homes and communities of support.

Financialized gentrification intensifies patterns of social and spatial inequality in our cities, reinforcing the exclusion of lower-income renters from parts of town that are often well-serviced by transit, retail and other amenities. Across the country, this trend is associated with the loss of affordable housing. Indeed, researchers Steve Pomeroy and Duncan McLennan have calculated that 322,600 affordable rental units were lost between 2011–2016, as financial firms snapped them up and raised prices. These losses far exceed what is being built through government programs.

Given that low-income, racially marginalized, disabled, Indigenous, and immigrant households rent at high rates, the negative consequences of rental housing financialization are likely to disproportionately impact the "priority groups" identified by Canada's National Housing Strategy.

In Ottawa's Herongate community, a human rights case (Yussuf et al. v. Timbercreek, 2019) has been launched alleging that "the mass, forced displacement of an entire community of immigrants, people of colour, families, and people receiving public assistance amounts to systemic discrimination." Asserting that the Herongate mass eviction violated human rights law, the application asks the Ontario Human Rights Tribunal to determine whether a landlord has the right to displace and replace a lower-income racialized community with an affluent white community.

What can we do about it?

Governments at all levels have played a role in enabling the financialization of rental housing and catalyzing Canada's affordable housing crisis. Financial firms emerged to capitalize on rental housing in the late-1990s, just as the federal government had abdicated responsibility for producing and maintaining affordable rental housing, and as the deregulation of tenant protections and rent controls opened the door to new profit-making strategies. Despite the launch of a National Housing Strategy in 2017, affordability has gotten worse rather than better.

There is much, however, that governments can do. According to Leilani Farha, director of The Shift and former United Nations Special Rapporteur on Adequate Housing, governments at all levels have an obligation to progressively realize the right to housing. To really make a difference, governments must immediately stop the loss of affordable housing. They can do this by introducing strong rent controls and eliminating loopholes (like AGIs and vacancy decontrol) that cannibalize affordability.

The federal and provincial governments should fund programs to acquire existing rental housing and make it permanently affordable—stemming the loss to financial landlords. New social and affordable housing should be built to meet the high and growing demand for it. Investors (including pension fund contributors) should divest from real estate firms that profit from displacement, and governments and lenders should discontinue support to firms that violate the right to adequate housing, including financial firms.

At the same time, tenant organizing in Ontario cities and beyond has, to date, represented the most significant challenge to the financialization of rental housing. Tenant organizing has challenged landlord neglect, rent increases, and evictions. In Herongate, fierce tenant resistance prompted Hazelview to pivot and adopt a "social framework" that commits to no further displacement.

While inherently problematic—in that the Herongate redevelopment proposal, which was approved by the City of Ottawa in late-2021, targets over 550 more existing affordable units for demolition—this example demonstrates that, in the absence of government protection (and the presence of government complicity), grassroots tenant organizing can have an impact. Likewise, the outcome of the Herongate human rights case may set a precedent in stemming the tide of financialized gentrification targeting racialized communities. M

ROBIN SHABAN AND KELDON BESTER

Inflation and the *Competition Act*

AMID RECORD INFLATION that hasn't been seen in Canada for three decades, analysts have been considering the role that corporate profiteering may be playing in higher prices.

While many factors are at play, one study estimates that 26 per cent of the inflation Canadians are experiencing could be driven by firms garnering excess profits through charging higher prices.

As policy-makers begin to roll out responses to these inflation trends and excess profits in key sectors, the federal government has also announced a comprehensive review of the *Competition Act* of 1985.

A reinvigorated *Competition Act* is also an opportunity to tackle market power, which gives corporations the ability to pass on these excessive prices to Canadians.

At a recent event, Commissioner of Competition Matthew Boswell called for greater enforcement of Canada's competition laws to combat rising prices, but Canada's toolbox is limited relative to its international peers.

With European competition laws, businesses can be fined for abusing their dominant position in a market to exploit purchasers or sellers. This includes imposing unfair purchase or selling prices, or other unfair trading conditions.

Canada has no equivalent exploitation doctrine in its competition law. It is not illegal for dominant firms to leverage their market power to earn excess profits, exploit consumers, or even exploit workers here. A firm's behaviour is deemed to be an "abuse of dominance" only if it undermines overall competition in the market.

The government recently put forward amendments to the *Competition Act* that would extend the type of behaviours that could be deemed abuse. But even with these amendments, the act would not capture exploitative conduct.

Under Canadian law, high prices are not viewed as a problem because they may incentivize new firms to enter the market to capture some of the excess profits. The aim of our current abuse-of-dominance laws is to enable entry of new firms. This is supposed to be accomplished by preventing behaviours that create barriers to new competitors in a market. However, this logic assumes away the reality of structural barriers that prevent entry, such as large capital investment and, increasingly, access to large datasets on consumers and their purchases.

Without the concept of exploitation in our abuse-of-dominance laws, the Competition Bureau doesn't have the power to tackle excessive pricing head-on once market power has been established.

As part of its review of the act, the government should consider expanding the abuse-of-dominance provisions to enable the bureau to challenge exploitative prices and business terms. But the best way to tackle profiteering is by preventing the acquisition of market power in the first place. Here, the act also has an important role to play through merger control provisions.

Robustly competitive markets make it difficult for firms to charge excessive prices. The most powerful way we can keep markets from losing their competitive vigour is by preventing mergers. These remove competitors from the market and create large, dominant firms that can then use that dominance to exploit Canadian consumers and businesses.

The *Competition Act* is supposed to prevent mergers that make markets less competitive. However, like our abuse-of-dominance laws, our merger laws fall short of that goal. Canada's merger laws are uniquely permissive of harmful mergers. In the more than 35 years since the act was introduced, Canada's Competition Bureau has never won a merger case on final judgment.

Canada's competition law is overdue for an overhaul. Lack of competition blunts Canadian innovation. Even when the bureau is able to negotiate an agreement with the merging parties, our law allows for remedies that result in a reduction of competitive intensity. The remedies for these mergers do not fully protect competition or Canadians.

To block a merger today, the bureau must undertake an incredibly complex analysis to predict the effects that merger will have on the market and consumers. This process could be simplified by replacing it with a presumption against acquisitions by dominant firms.

For example, the law could forbid mergers that create an entity with a market share of 80 per cent or greater. Paired with higher standards for merger remedies, a stronger bias against mergers by entrenched incumbents would force corporations to actually compete for greater market share rather than allow them to swallow up rivals.

The review of the *Competition Act* presents a unique opportunity for us to make changes that prevent and address profiteering and exploitative business behaviour, both now and into the future. M

JACQUELINE KENNELLY AND ANDREW CROSBY

Hate the high cost of rent? Blame the 1990s.

BEWILDERED BY THE high cost of housing? Wondering how we got to this place in Canada? To understand why we're here now, we need to look back 30 years to policy decisions being made in the early-1990s.

The most intensive cuts to social spending in Canadian history happened in the 1990s, including the complete annihilation of Canada's post-war funding commitments to affordable housing. This came about as Canada mimicked the policies of the United Kingdom, introduced under Margaret Thatcher, and those of the United States, under Ronald Reagan. While this approach to policy-making—often called neoliberalism—gained a foothold under the right-wing Brian Mulroney Conservatives in Canada, it was the centrist-left Jean Chrétien Liberals that undertook the most substantial welfare state restructuring, particularly with the 1995 federal budget under its Finance Minister, Paul Martin.

Before 1995, provincial and territorial governments received large transfers of funds from the federal government, designated to be spent on specific social portfolios, including housing, health care and education. Paul Martin introduced a new policy called the Canada Health and Social Transfer, which had fewer conditions attached. This meant provinces did not need to maintain specific social benefits that had been previously required—and the transfer also provided significantly less funding.

Federal transfers to provinces and territories fell from $18 billion annually in the 1980s to $12.5 billion in the mid-1990s. In Ontario, Canada's most populous province, federal transfers that had covered 17 per cent of provincial revenues in 1980–86 dropped to only nine per cent of revenues by 1996–2001.

The significant cuts to federal funds being transferred to the provinces and territories in the mid-1990s accelerated the retrenchment of social assistance benefits and became part of the rationale for cuts to higher education, resulting in rising tuition fees for students across the country—a precursor to today's crisis of post-secondary debt for young people trying to get into the housing market or afford their monthly rent. By 1993, the federal government completely withdrew financial support for building new social or public housing, except for (inadequate) new builds on First Nations reserves. This historic shift marked the end of 52 years of federal involvement in social housing production and is widely considered to mark the beginning of the homelessness crisis in Canada.

> Countries with healthy affordable rental stock (e.g., Netherlands, Austria, and Denmark) have public housing rates of about 22–32 per cent.

Before the cuts, the federal government supported the development of affordable housing in a variety of ways, including investments in public housing, co-funding affordable rental housing provided by the non-profit and co-operative sectors, and private market builds with rents at affordable rates. Investments were made in public housing beginning from the late-1940s and peaking in the 1960s. These were characterized by cost-sharing arrangements between the federal and provincial governments. Between 1973 and 1992, the federal government partnered with third-sector groups to create non-market rental housing; approximately 236,000 non-profit and co-operative units were created over those two decades. In addition to providing reduced-rate mortgages for 90 per cent of the project costs as well as capital grants for the remaining 10 per cent, the federal government provided operating subsidies and funded housing resource groups.

While short-lived, these initiatives had a lasting impact on the Canadian housing landscape and account for some 650,000 units across the country. This ought to have marked the beginning, rather than the end, of government investment in public and non-profit housing, as that sector ultimately made up only four to six per cent of the Canadian housing market.

Countries with healthy affordable rental stock (e.g., Netherlands, Austria, and Denmark) have public housing rates of about 22–32 per cent. This would have been a good goal to strive for before cutting all federal funding. Private market, multi-family rental housing construction boomed in Canada into the early-1970s but declined sharply thereafter as the incentive for new rental construction was removed due to changes in federal policies, and the more lucrative condominium industry emerged in the late-1960s.

The federal cuts to housing funds in the 1990s shifted the nexus of housing provision to the provinces and territories. Ontario took this one step further, and devolved housing provision further down to the municipalities. Once a leader in social housing, Ontario was home to 42 per cent of Canada's social housing stock before the federal cuts. While the Ontario government continued to invest in social housing until 1995, the election of a populist neoliberal Conservative government under Mike Harris would permanently alter the social housing landscape in Ontario. With the introduction of the *Social Housing Reform Act* in 2000, all provincial housing stock in Ontario became owned by municipal housing corporations.

The situation in Ontario has created what housing policy researcher Steve Pomeroy has called a "unique but perverse case" in social housing responsibilities and administration, shifting the expenditure burden and risk to the municipal level. Devolution has imposed significant constraints and barriers on affordable housing throughout Ontario. Housing typically represents the second- or third-highest expenditure of local governments. This means that funding allocation for it often falls victim to efforts to contain budget increases. Ontario remains the only province where social housing is the responsibility of municipalities.

It took 34 years for the federal government to seriously re-join the housing game, when the Justin Trudeau Liberals introduced the National Housing Strategy in 2017. Although some federal re-engagement had occurred between 2001 and 2017, this resulted in only 50,000 more units, and most of these were not considered "deeply affordable," with rents set between 80 and 100 per cent of average market rents and limited rent supplements available.

Although the long-awaited National Housing Strategy promised to reduce homelessness by 50 per cent and make significant investments in affordable housing, so far it hasn't made much impact. The Government of Canada claims that over 58,900 new affordable housing units are currently being planned or built, and a further 68,000 existing units are being upgraded or repaired with the intention of building 150,000 new units of affordable housing over 10 years.

The Canadian Alliance to End Homelessness points out that to make a real dent in homelessness, the National Housing Strategy needs "to build at least 300,000 new deep subsidy, permanently affordable and supportive housing units and ensure those units are specifically prioritized to people experiencing or at greatest risk of homelessness." Further, non-profit housing providers, well-positioned to build and manage these new affordable units, struggle to secure funds for new builds through the National Housing Strategy, as well as funds for tenant supports.

In the meantime, global investment companies are financializing the low-income private rental sector and converting it into "luxury" accommodations and condominiums, resulting in a net loss of 322,600 affordable units between 2011 and 2016, an average annual loss that far outstrips the modest 15,000 affordable units per year planned for the first decade of the National Housing Strategy. In other words, Canada has a long way to go to make affordable rental housing a widespread reality in a country where housing prices have risen more than 25 times faster than those of the U.S. since 2005.

Although pundits and politicians make an assortment of wild claims about why we have such expensive housing in Canada, ranging from inflation to the war in Ukraine, the reality is that the stage was set for the current affordability crisis 30 years ago. Unfortunately, those most impacted by these policies were not even born at the time. It is young people (ages 20–29) who are at the receiving end of the housing affordability crisis, both in Canada and across all OECD countries. Compared with the general population, young people in all OECD countries are much more likely to live in rental housing, although increasingly those between ages 20–29 are simply staying home with their parents, unable to afford either rent or mortgage. If a parent's home is unsafe or unavailable, they often become homeless. In Canada, about one in five people experiencing homelessness are young, between the ages of 13 and 24.

Although the statistics are not broken out for the 25–30 age group, we know that adult homelessness, including for young adults, is on the rise in Canada. Countries with the highest percentage of social housing stock are the ones that allow young people to leave home and rent independently, such as in Norway, Sweden, Finland, and the Netherlands. It is for this reason that the OECD recommends "renewed public and private investment in the affordable and social housing stock," noting it as "a key lever to an inclusive economic recovery from the COVID-19 crisis." M

Get to know **Erika Shaker**

OFFICE: **NATIONAL**
POSITION: **DIRECTOR**
YEARS WITH THE CCPA: **25 (you read that right)**

You've been one of the longest standing people at the CCPA. What drew you to this think tank? In 1996 the late Heather-jane Robertson was on the board of the CCPA and sent then-Executive Director Bruce Campbell my master's thesis on the commercialization of education. Bruce invited me into the office for a conversation about my work, and subsequently called to ask if I would be interested in directing the new Education Project, thanks to a start-up grant from the Canadian Teachers' Federation. I moved to Ottawa from Hamilton in 1997...and the rest is, as they say, serendipity!

How has your role with the CCPA changed during your time with the organization? The education work expanded to other related areas of research, and new outreach and engagement opportunities. I was privileged to co-edit the quarterly *Education Monitor* with the legendary Ed Finn. In 2000, we began publishing *Our Schools/Our Selves*, founded in 1987, and which I co-edited for several years with Satu Repo. And then, in 2020, I became director of the National Office while continuing to edit *Our Schools/ Our Selves* and remaining active in education policy work.

What makes you proud of working at the CCPA? It's a combination of pride and gratitude. I couldn't imagine better coworkers, and I can't overstate my excitement at being a part of this organization's growth, from my first years as a

junior researcher, to an editor and senior member of the research team, and now as National Office director. It's truly remarkable to witness our growing influence on the policy landscape—in inequality, child care, education, climate, trade, gender equity, and economic and social well-being—and to work with and learn from our civil society allies... and to have the opportunity to hear from our supporters who call to let us know how proud they are of our successes.

What is your six degrees of separation from renowned consumer advocate Ralph Nader? It's more like two degrees! My father and Ralph are cousins. Because their mothers were so close as sisters, the families spent most summers together—and this bond continued into the next generation. After I graduated from McGill in the early-1990s I spent a year as a Nader's Raider at the Center for the Study of Responsive Law in Washington, D.C., which solidified my commitment to civil society-based activism and research.

How did your family's history inform your choice to work on progressive policies? We grew up with the bumper sticker "Question Authority" on our fridge, so expectations for awareness and activism were set early on. When I was six, my cousin Russell took me to my first march in D.C. to protest the draft and taught me my first chant: "Hey, hey, Uncle Sam, we remember Vietnam." Politics—whether protesting in the streets or, more often, in debates, including at the dinner table—was our pastime. It's one I still share with my siblings and our partners—with raised voices and a lot of humour. More recently, it's been fantastic to watch my kids develop their own political interests as they grow and mature.

When you're not at work, what are some ways that you decompress? Running and swimming—and I do both all year round, thanks to the Y and to the Rideau Canal pathway. But nothing beats swimming in Georgian Bay, which is my favourite place to unwind and recallibrate for one week each summer. Water is truly life.

Dogs or cats? Why? Dogs. We adopted a very goofy boxer/German shepherd mix during the pandemic, and the house has never been the same. Her joyfulness is truly contagious. And she's very wiggly!

What gives you hope right now? I am encouraged by the Amazon Labor Union's successful organizing initiatives, and how building authentic relationships with workers is such a central part of this new wave of labour activism.

REVIEW BY KATHERINE SCOTT

Abortion rights and Canada's regressive past

ABORTION TO ABOLITION: REPRODUCTIVE HEALTH AND JUSTICE IN CANADA
MARTHA PAYNTER, JULIA HUTT
2022, Fernwood

I REMEMBER VIVIDLY the day the Canadian Supreme Court struck abortion from the federal *Criminal Code* in 1988. I was in grad school, working in a library at the University of Toronto. In the days before social media, the news rippled through the building. People streamed into the streets and gathered in growing numbers at the Morgentaler Clinic around the corner on Harbord Street. It was an extraordinary moment, the culmination of the extraordinary efforts of community organizers, legal advocates and care providers across the country.

Watching the Supreme Court in the United States strip away women's constitutional right to safe, legal abortion this past month was devastating. With this decision, the court has restricted bodily autonomy of hundreds of millions of women and their right to make decisions about childbearing and parenting. While the situation in Canada is different, the U.S. decision reminds all of us how fragile and partial our progress on gender equality is. We have nothing to be complacent about here.

Martha Paynter makes this point in her excellent new book, placing the fight for abortion rights within the much broader movement for reproductive justice—a term first coined by the Women of African Descent for Reproductive Justice. Each of the 23 stories, beautifully illustrated by Julia Hutt, focuses on a different dimension of reproductive justice: the right to enjoy bodily autonomy free from violence, to express gender freely, to have children, to not have children, and to parent children safely. In the last section, Paynter examines parenting in prison, which "violates reproductive justice in every possible way," making the case that prison abolition should drive future advocacy.

Each of the stories centres around a legal case and the people involved who pushed for changes to the law and broader public attitudes. We hear about Chantal Daigle from Chibougamau, Quebec, who, in 1989, fought the efforts of a former partner to block her attempt to seek an abortion all the way to the Supreme Court, establishing clearly in the process that Canadian law does not assign fathers a right of veto in instances of abortion or consider the fetus a living person. There are stories of more recent efforts to expand access to abortion in Prince Edward Island and New Brunswick, both of which have dragged their heels for decades, actively restricting access despite provisions in the *Canada Health Act*.

We hear about the extraordinary courage of Leilani Muir, institutionalized at age 11 at the Provincial School for Mental Defectives in Alberta and subjected to sterilization without consent three years later. Alberta's sterilization program, in place from 1928 to 1973, aggressively targeted those (like Muir) labelled "mentally defective" as well as Indigenous and immigrant women. Muir successfully sued the Alberta government in 1996 for the harms the surgeries and a life spent mislabeled had done. The judge made clear that Muir's sterilization was not an accident but an intentional assault that was "unlawful, offensive and outrageous." Yet forced and coerced sterilizations continue among Indigenous women, evidence of systemic racism in health services and Canada's deep history of reproductive oppression. Several class action lawsuits are currently underway on behalf of Indigenous patients subjected to sterilizations.

We hear about Baby H, who in 2019 was removed from the care of her Indigenous parents 90 minutes after her birth and placed in a non-Indigenous foster home, now a part of what's been called the "Millennium Scoop," describing the disproportionate number of Indigenous children currently in foster care. Baby H's mother was flagged by child protection services in a "birth alert" as presenting a possible risk to her child, although no specific reason was given to the family. Studies show that birth alerts do not improve infant well-being. Rather, they deter mothers from seeking prenatal care and break the vital bond between mother and child, and child and community—just as Canada's residential school system did. Most provinces and territories are now banning birth alerts but much remains to be done to decolonize child and family services.

What Martha Paynter does so well is to connect the dots between the many ongoing struggles for reproductive freedom, highlighting the efforts of marginalized women who have too often been sidelined in the telling of this story. Canada has made ground-breaking strides, but threats to women's autonomy and equality persist, and reproductive oppression continues in communities across the country. As we continue the fight for reproductive justice, a grasp of our complex and repressive past is crucial. *Abortion to Abolition* should be on everyone's reading list. M

Meet Christopher Powell, CCPA donor

Meet Christopher Powell, a donor from Toronto, Ontario. Christopher has been supporting the CCPA for 17 years and recently chose to help ensure that we can continue this work well into the future by including the CCPA in their will.

Tell us about someone you find particularly inspiring right now. I teach sociology at Toronto Metropolitan University, and it might sound cliché, but honestly I've been inspired by my students. They have taught me from their experiences of standing up to racism, transphobia and ableism, among other oppressions. There's an inclusiveness and a humaneness in the way they treat each other and expect to be treated themselves that has made me want to be a more nurturing teacher. I don't think most of them would identify as socialists but they are pushing back against the alienated individualism of neoliberal society.

How about someone who was a big influence on you early in life? In my childhood in the late-1970s I read *Cosmos* by Carl Sagan. I think his vision of the earth as a small planet in a vast universe, that "pale blue dot," inspired me towards a kind of proto-socialist panhumanism. Then, in high school, I got involved in activism around nuclear disarmament, human rights, ecology, etc. And studying sociology got me thinking about how society could be more just, more egalitarian.

Can you tell us why you've been a monthly donor to the CCPA for 17 years and counting? I started donating when I began my career as

a sociologist. Reading the *Monitor* was a great way to get out of the ivory tower mindset.

What has the CCPA done lately that's made you feel proud to be a supporter? In your opinion, what makes the CCPA special? I really appreciated the most recent issue on the far right in Canada. In general, there's a real need for alternatives that criticize the dominant neoliberal framework. Among the media that do that in Canada, the CCPA really stands out for its seriousness and intellectual rigour.

How has COVID-19 has forced you to think outside the box? In the past two years, many of my students have started having trouble with class participation and assignment due dates. They've been sick, or they've had sick family, or they've been working to support their families because their parents were out of work, and so on. At the same time I happened to read *Care Work: Dreaming Disability Justice* by Leah Lakshmi Piepzna-Samarasinha, which introduced me to crip theory. Crip theory calls for a society that restructures work and life around the varying needs of people with differing bodies and minds instead of expecting everyone to conform to the demands of workplace "efficiency." So I started looking at my students differently. Instead of seeing them as needing to be more disciplined, I started thinking: *What if they are already doing their best? How I can I support them then?*

Name one policy the government should adopt today that would make people's lives better. Really putting UNDRIP into practice and recognizing Indigenous sovereignty would have many positive effects. On top of helping to reverse the tide of settler–colonial genocide in these lands, it would also force the government to reconsider its investments in resource exploitation, especially of the tar sands, and help us steer towards a greener economy.

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The good news page

White Americans own 98 per cent of U.S. farmland—now rural and urban growers of colour are trying to get a fairer share

Due to factors such as predatory developers and a lack of access to the legal system and expert advice, Black Americans lost 90 per cent of their lands across the United States during the 20th century. When Black land rights activists were recently offered a 150-acre (60-hectare) plot in the U.S. South, they saw it as an opportunity towards righting a historical wrong. The group is in the process of taking ownership of that Southern plot, which is being donated, as its first piece of land. It ultimately aims to obtain between 15 million and 20 million acres across both rural and urban areas, which would match the estimated total acreage lost by Black households.
/ Thomson Reuters

Germany returns looted African artifacts

German officials said recently that numerous priceless artifacts taken from the African nations of Cameroon, Namibia, and Tanzania during colonial times will be permanently returned. Germany and Nigeria also recently signed an agreement paving the way for the return of hundreds of artifacts known as the Benin Bronzes as well as numerous bas-reliefs and sculptures. These were looted by a British colonial expedition from the royal palace of the Kingdom of Benin, now southwestern Nigeria, more than 120 years ago. "Germany has taken the lead in correcting the wrongs of the past," said Nigerian Culture Minister Lai Mohammed, adding that he expects the move to "become a harbinger of more repatriation of cultural property." / AP

Once facing extinction, massive fin whales have returned to Antarctic waters

After being driven to the brink of extinction, fin whales, the second-largest creatures on the planet, have returned to their ancestral feeding grounds around the Antarctic Peninsula. Scientists say that since the animals recycle more nutrients, they will increase the productivity of the Southern ocean, which could help fight climate change.
/ Yale Environment

Wild bison return to UK after thousands of years—and they're ready to tear S*!# up

After years of planning by the Kent Wildlife Trust, wild European bison were recently released in the West Blean Woods, a commercial forest of non-native conifer trees in which they will roam, undisturbed by humans for the first time in 6,000 years in Great Britain. The bison will be doing some important conservation work as they munch on a commercial forest of non-native conifer trees and inevitably kill a fair amount of these invasive trees. This, along with the trampling of their hoofs and their habit of rolling around taking dust baths, will open space in the forest canopy and understory to allow light in and native plants to take hold. "The restoration of naturally functioning ecosystems is a vital and inexpensive tool in tackling the climate crisis," said Evan Bowen-Jones, CEO of Kent Wildlife Trust.
/ Good News Network

Most populous First Nations community in Canada now powered by renewable energy

The Grand Renewable Energy Park solar farm, the first project of the Six Nations of the Grand River, generates 249 megawatts of electricity, enough energy for 17,000 homes. Niagara Regional Wind Farm, a 230-megawatt facility, the next project created through a collaboration with Boralex and Six Nations, generates enough energy for 76,000 homes. "All the funds that Six Nations Development Corporation makes actually goes back to benefit our community. We are able to invest in things like fire trucks and water line expansions and housing developments for our people," said Tabitha Curley, a Six Nations member and manager of Communications and Stakeholder Relations at SNGRDC. We're participating in a societal shift on how we generate energy in Canada."
/ Weather Network

Nottingham to become the Britain's first net-zero city

The English city of Nottingham, an area long known as a hub of a once-thriving coal industry, has joined the green industrial revolution, pledging to go carbon neutral by 2028 and so become the country's first city to reach net zero. The plan will require emissions cuts of over 20 per cent per year. "I wanted to push the boundary," said Nottingham City Councillor Sally Longford, who spearheaded the project. "If we don't take action now, there will be terrible consequences."
/ Thomson Reuters

Mexico City ban on bullfighting extended indefinitely

A judge recently extended a ban on bullfighting in Mexico City indefinitely, raising the likelihood that the season will be cancelled at what claims to be the world's largest remaining bullfighting venue. Since 2013, four states in Mexico have banned bull fights. / AP

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