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ISBN 978-1-77125-371-0

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This document was produced thanks to the
generous contributions of CCPA partners
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INTRODUCTION

October 19, 2017 marked the two-year point since Justin Trudeau's Liberal Party won a parliamentary majority, unseating Stephen Harper's Conservative Party after a decade in power. The Liberals ran a hopeful campaign with a progressive platform that energized voters eager for change. Across the country, Canadians bought into the promise of a new era of progressive governance grounded in the principles of fairness, environmental sustainability, and growth for the middle class.

At the CCPA, we were encouraged to see gender equality, climate change, tax fairness, and other oft-overlooked areas of public policy take centre stage in the campaign. Ideas and principles we'd long supported appeared to break new ground, such as an enhanced Canada Pension Plan. Among other positive signs, the winning platform of the Liberal party contained meaningful overlap with the Alternative Federal Budget (AFB), our benchmark for progressive policy in Canada.

After more than 200 sitting days in Parliament, the "new" government has had plenty of time to advance its legislative agenda. Unfortunately, last week's federal fiscal update was the latest missed opportunity for the government to make its promises a reality. Halfway through the government's mandate, the signs are not encouraging. On electoral reform, for example—a core Liberal platform promise and call-to-arms for many progressive voters—the government

executed a stunning reversal. It spent millions of dollars and thousands of hours on cross-country consultations, then rejected its own findings and opted to preserve the status quo.

The government's disappointing about-face on electoral reform and discouraging missteps on "tax fairness," highlight the need for closer scrutiny of their other commitments. With two years left in the government's term, now is an opportune time to take stock of the government's accomplishments and missteps and, moving forward, consider just how progressive their agenda really is.

In this report we discuss and assess the federal government's progress over the past two years in 16 policy areas. While it is not an exhaustive survey, the report covers a representative sample of the most important policy issues from a progressive perspective.

In each area, we grade the government on both their promises (the talk) and their policies (the walk) as measured against the CCPA's expectations for truly progressive governance (see box). We summarize major developments in each area and make concrete recommendations for policies the federal government could undertake in the remaining two years of its term.

What do the grades mean?

For each policy issue in this report, we grade the government on the progressivity of their "talk" (what they've said) and "walk" (what they've done). The CCPA has clearly laid out what progressive governance should look like in each of these areas in our annual collaborative Alternative Federal Budget (AFB) and related reports.¹ Generally speaking, "progressive" means advancing the principles of social justice, economic equality, and environmental sustainability. We hold the government to our progressive standard—not to the standard of its own promises—when awarding the "walk" grades.

Grade	Talk	Walk
A	The government has prioritized the issue, taken a progressive position, and promised to implement concrete, meaningful policies	The government has implemented progressive policies that live up to the benchmarks set by the CCPA (e.g., in the AFB)
B	The government has acknowledged the issue and promised to implement some progressive policies	The government has delivered on some of its own progressive promises in this area, but the policies fall short of the CCPA's expectations for progressive leadership
C	The government has acknowledged the issue, but its policy promises are weak or vague	The government has taken as many steps backward as it has taken steps forward in this area, with overall little progress
D	The government has not acknowledged the issue and has not promised any progressive action	The government has failed to implement progressive policies and may even be moving backward
F	The government has taken a regressive position on the issue	The government has actively pursued regressive policies that undermine progress in this and other areas
--	The government has taken no position on the issue	The government has taken no action on the issue or we haven't had enough time to see the results

More often than not, as we shall see, the Liberals have said all the right things. From reconciliation with Indigenous peoples to climate change, the new government has maintained a positive, progressive message that resonates with many people and communities across Canada.

Unfortunately, despite many positive steps, the government has failed to live up to its progressive potential. In some areas, the government has even implemented regressive policies that push the country in the opposite direction from where we need to go.

The government has two more years to make its progressive promises a reality. In that time, we hope the government will also undertake new initiatives to truly advance the progressive principles they were elected on. Implementing the recommendations outlined here would be a good place to start.

Report Card

AREA		TALK	WALK
RELATIONSHIPS WITH F.N.I.M.	Reconciliation and decolonization	B	D
INEQUALITY	Youth and precarious work	B+	B-
	Gender equality	A	B-
	Poverty	A-	B-
	Tax fairness	B+	B-
ENVIRONMENT & CLIMATE CHANGE	Greenhouse gas emission reductions	A	D
	Pipelines and fossil fuel subsidies	C	F
	Just transition	--	--
SOCIAL PROGRAMS & SERVICES	Child care	B	D
	Health care	B+	C-
	Education	B-	C+
	Infrastructure and public transit	A	C
	Seniors and retirement security	A-	B-
	Public services	B	C
TRADE & DEVELOPMENT	Legacy trade negotiations	B-	D
	Emerging trade negotiations	B+	--



RELATIONSHIPS WITH INDIGENOUS PEOPLES

Reconciliation and decolonization

GRADES

TALK:

B

WALK:

D

Canada's oppression of First Nations, Inuit and Métis (FNIM), including the deliberate and sustained federal policy of cultural genocide, was laid bare in the final report of the Truth and Reconciliation Commission (TRC) in 2015.² The report helped open the eyes of many Canadians who had for too long ignored or misunderstood the injustice of Indigenous–Canadian relations both past and present.

In their election platform, the Liberals promised a “renewed, nation-to-nation relationship” with Indigenous peoples in Canada based on “recognition, rights, respect, co-operation and partnership.” At the centre of the government’s reconciliation plan was the implementation of the TRC’s 94 calls to action,³ including implementation of the United Nations Declaration on the Rights of Indigenous Peoples (UNDRIP).⁴ The Liberals also promised significant new funding for First Nations education, housing, water, and other priority areas.

So far, very little progress has been made on the TRC’s calls to action. A promised National Council for Reconciliation, which would oversee the TRC calls to action, has not yet been formed. Meanwhile, the government has made little progress in implementing UNDRIP in Canada, despite proclaiming its “unequivocal” support for the Declaration.⁵ In fact, the government’s continued support for new pipelines on Indigenous lands clearly contravenes the right to “free, prior and informed consent,” a foundational article of the Declaration.

The government has made more progress on funding, where it has invested \$8.4 billion over five years for First Nations programs and services. The increase is promising, but it does not go far enough to redress decades of underfunding for Indigenous communities, many of which remain marginalized and impoverished with dramatic consequences for access to clean water, health care, education, housing, and other services.

WAY TO AN A

- Complete implementation of the TRC’s 94 calls to action, including implementation of UNDRIP
- Dramatically increase funding for vital First Nations services to a level that meets pressing needs and redresses historical underfunding in those areas



INEQUALITY

Gender equality

GRADES

TALK:

A

WALK:

B-

Prime Minister Trudeau took an important symbolic step by appointing equal numbers of men and women to his cabinet. The Liberals committed to increasing the share of women in senior decision-making positions, although it is unclear what policies are being developed to increase women's representation in leadership positions outside of the federal government.

The government committed to implementing a federal gender violence strategy and action plan. Budget 2017 included \$100.9 million over five years to support the plan, although details are vague. The government also committed \$89 million to improving the physical infrastructure of women's shelters, but it did not provide money to staff them. The government has not increased the meagre budget of Status of Women Canada, the department responsible for the advancement of women's equality.

The government has initiated an inquiry into murdered and missing Indigenous women and girls in Canada. The inquiry has had difficulty navigating the gap between its mandate and resources, on one hand, and the desire of families and communities for justice and recognition, on the other hand. The government has provided additional resources to the inquiry in the past year in response to criticism that it has been insufficiently inclusive and supportive of the affected families.

On the economic front, the government has committed to table pay equity legislation in 2018 and increase the share of women in non-traditional occupations. Little action has taken place on either front. The government has gone further in fulfilling its commitment to implementing gender-based analysis across departments and agencies starting with Budget 2017 but it is not clear whether economic policy decisions are being informed by that analysis.

WAY TO AN A

- Increase funding to women's organizations and Status of Women Canada
- Repeal the Public Sector Equitable Compensation Act and implement pay equity legislation
- Implement a fully-resourced national action plan to eliminate violence against women
- Ensure economic policies respond to gender differences in occupation, pay, hours, and unpaid work

Youth and precarious work

GRADES

TALK:

B+

WALK:

B-

The rise of precarious work among youth cohorts is an ongoing problem that has received little attention at the provincial or federal levels. The incidence of precarious, insecure jobs—be it through unpaid internships, contingent or contract work, or being misclassified as independent contractors—is of particular concern given that prolonged precarious employment can lead to poor labour market outcomes over the course of an individual's career.

The Liberals included a number of planks in their election platform aimed at young people. Among other initiatives, the Liberals promised to invest an additional \$300 million per year for three years in the Youth Employment Strategy (YES), to create 40,000 jobs annually, and to double access to the Skills Link program.

The government has followed through on some of its promises. Budget 2016 announced \$165 million to create jobs for youth, separate from the previously announced \$339 million over three years for the Canada Summer Jobs program, plus an additional \$278 million for other related jobs programs. Budget 2017 committed \$395.5 million over the next three years for YES and provided \$165.4 million for Skills Link.

However, due to the interconnected nature of these programs and strategies, it is unclear where this money is going and whether it has been double-counted. Furthermore, it is difficult to determine how many of the promised 40,000 jobs have actually materialized.

The government has come up short on the funding promised for co-op placements and the Youth Service Program. A proposed employment insurance “break” for employers hiring youth into permanent positions has not been implemented, neither has the government followed through on its promise to spend \$10 million to develop and expand the Pre-Apprenticeship Training Program.

The government created a new minister of intergovernmental affairs and youth—a portfolio headed by the prime minister himself—after taking power, but the minister's mandate is elusive. A Youth Advisory Council was established as promised, but its influence on actual policy remains unclear.

WAY TO AN A

- Create a Youth Labour Market planning board to monitor and facilitate the transition of young people into the workforce
- Develop a national framework to strengthen legal workplace protections for young workers and adopt strategies to reduce the overall levels of precarious work among youth cohorts

Tax fairness

GRADES

TALK:

B+

WALK:

B-

Although the “middle class” tax cut championed by the federal government does not actually benefit the middle class, nor is it particularly progressive, many other tax measures taken by the government are progressive and closely match recommendations in the AFB. The cancellation of family income splitting, a reduced tax-free savings account (TFSA) contribution limit, and a new top income tax bracket were all progressive measures that increased the fairness of the tax system overall.

The government has not undertaken a comprehensive examination of tax expenditures, otherwise known as legal tax loopholes, despite their costing over \$100 billion per year in lost public revenue.⁶ An expert committee on the issue was struck in fall 2016 and has since concluded, but no public report has been issued. Notably, the big fish on tax expenditures, such as the capital gains inclusion rate, are not under review.

The Liberals did promise to eliminate the stock option deduction and several small business tax loopholes. These expenditures are worth a combined \$1 billion per year and overwhelmingly benefit Canada’s richest. However, the government has done a poor job of communicating the need for reform, which has undermined its own genuine efforts to close these loopholes. So far, the government has only managed to close some of the smaller “boutique” tax credits in its first two budgets. An early attempt to end the stock option deduction was abandoned in the face of private sector opposition, while a recent proposal to amend the Canadian Controlled Private Corporation (CCPC) tax rules to end small-business income splitting (also known as “income sprinkling”) was simply watered down. The government has also responded to pressure from lobbyists by cutting the small business tax rate from 10.5% to 9%.

Tax reform compromises were a missed opportunity to take modest, but important steps toward tax fairness, and ultimately, the net effect of the 2017 reforms will actually mean a reduction in government revenues of nearly half a billion dollars per year.

The government followed through on a Liberal platform promise to hire more auditors to root out tax evasion. The results have been so positive in terms of increased revenue that they are planning further hiring at the Canada Revenue Agency. On international tax shifting, where multinationals declare their Canadian profits in low-tax jurisdictions like the Bahamas, there has been slow but positive progress. Canada has been working with other developed countries to provide better transparency in this area.

WAY TO AN A

- Introduce a lifetime TFSA contribution limit
- Eliminate the stock option deduction
- Go after the big fish in tax expenditures, including the capital gains inclusion rate
- Crack down on multinational tax shifting to low-tax jurisdictions

Poverty

GRADES

TALK:

A-

WALK:

B-

The Liberals promised to tackle Canada's shamefully high poverty rate with a series of targeted measures.

The government introduced a new Canada Child Benefit (CCB) in 2016, created in part out of the proceeds from the cancellation of the Universal Child Care Benefit. They later indexed the CCB to inflation and then accelerated the indexation schedule so that families will receive those increased benefits sooner. The government's claim that the CCB will single-handedly reduce child poverty by 40% is overblown, but overall the program will reduce child poverty by around 14%, which is still a major improvement.

The government also increased the Guaranteed Income Supplement (GIS) top-up. Although it has received much less attention than the CCB, the GIS top-up will have a significant positive effect on single seniors without a pension (public or private) and without retirement savings.

Both the CCB and the GIS top-up are progressive policies that closely align with recommendations found in previous Alternative Federal Budgets.

Budget 2017 announced funding of \$11.2 billion over 11 years for social housing, which expanded on two years of funding previously announced in Budget 2016. The budgets contain good news for the homeless-serving sector in particular, which receives \$2.1 billion over the next 11 years to expand and extend funding for the Homelessness Partnering Strategy (HPS).⁷

In terms of next steps for targeted poverty reduction, single adults without children remain a blind spot in Canada's tax and transfer system. The bulk of transfers currently go to seniors or to families with children. The government announced \$500 million in new funding for the Working Income Tax Benefit in their 2017 fall update, which will go some way toward bridging this gap.

More broadly, the government is falling short on a national poverty reduction strategy. A promised consultation process is moving slowly and opportunities for public engagement are unclear. The provinces are already much further ahead on this front. The federal government needs to come forward with a clear consultation process leading to a meaningful plan, and it must provide funding to support existing provincial efforts.

WAY TO AN A

- Support provincial poverty reduction plans with funding
- Ensure all promised funding for housing flows to needed projects in a timely fashion
- Extend the GIS top-up to low-income seniors living as couples
- Develop a GST top-up focused on low-income adults



ENVIRONMENT & CLIMATE CHANGE

Greenhouse gas emission reductions

GRADES

TALK:

A

WALK:

D

As promised, the Liberal government took a leadership role at the UN climate conference and was instrumental in pushing for aggressive greenhouse gas (GHG) reduction targets in the groundbreaking Paris Agreement. The government followed through on its promise to convene the provinces and produce a pan-Canadian “framework” on clean growth and climate change.⁸ It also succeeded in negotiating a North American Climate, Clean Energy, and Environment Partnership with the U.S. and Mexico.⁹

The government has not yet produced or implemented the National Energy Strategy it promised, but it has taken some steps toward a lower-carbon energy system (e.g., through the creation of a \$2 billion Low Carbon Economy Fund).

For all this apparent progress, however, Canada is not on track to meet its climate targets. To make matters worse, those targets, adopted under the previous Conservative government, are not ambitious enough for Canada to do its fair share in meeting the Paris Agreement goals.¹⁰

Policies such as the federal carbon pricing floor of \$10 per tonne (rising to \$50 per tonne by 2022) are far too weak to drive meaningful emission reductions. By the government’s own internal estimates, the carbon price must rise to as high as \$100 per tonne by 2020 and \$300 per tonne by 2050 to drive deep emission reductions.¹¹ Meanwhile, the government is actively supporting new fossil fuel infrastructure projects,

such as bitumen pipelines and liquefied natural gas (LNG) plants, that will make it even harder for Canada to meet its emission targets.

The \$2 billion promised for low carbon projects is a pittance when compared to the scale of the problem. Shifting to renewable energy on a large scale will require hundreds of billions of dollars in new infrastructure, not to mention the cost of other necessary emission reduction policies, such as energy efficiency retrofits in homes and buildings.

WAY TO AN A

- Set national GHG emission reduction targets that are consistent with a global carbon budget
- Dramatically increase the ambition of the pan-Canadian framework to align with Canada’s climate targets

Pipelines and fossil fuel subsidies

GRADES

TALK:

C

WALK:

F

The transition to a low-carbon economy will require a transformation of the current energy system, including a rapid move away from fossil fuels. Prime Minister Trudeau acknowledged as much when he said the oil sands need to be phased out completely by 2100 (before later hedging his position).¹² In their election platform, the Liberals promised to pursue Canada's G20 commitment to phase out "inefficient" fossil fuel subsidies in the medium term.

Although the government has started to tackle some tax loopholes and other benefits available to the fossil fuel industry, it has twice extended the Mineral Exploration Tax Credit, which subsidizes oil and gas development. Altogether, Canada's subsidies to the fossil fuel industry are worth well over \$1 billion per year.¹³

In addition, the government has approved a series of new oil and gas pipelines, including Kinder Morgan's Trans Mountain pipeline from Alberta to the B.C. coast, and Enbridge's Line 3 pipeline from Alberta to Lake Superior. These projects, which assume and promote long-term growth in the oil sands, will contribute directly to significant upstream and downstream greenhouse gas emissions. Not only are

new pipelines completely incompatible with Canada's climate plans and targets,¹⁴ but they are also being forced through by the government despite their clear rejection by more than 100 Indigenous nations.

The government has followed through on a promise to modernize the National Energy Board and reform the environmental assessment process to better account for climate-related concerns, but it remains to be seen if these modified institutions will take climate change more seriously than before.

WAY TO AN A

- Place a moratorium on new fossil fuel infrastructure
- End all direct and indirect subsidies for the fossil fuel industry

ENVIRONMENT & CLIMATE CHANGE

Just transition

GRADES

The process of decarbonization is essential for mitigating climate change and will create jobs and opportunities in new sectors, such as renewable energy installation and building retrofitting, but it puts at risk many jobs and communities currently tied to the fossil fuel sector. Upwards of 200,000 people work directly in the oil, gas, and coal sectors in Canada, which combined account for about 1% of total employment in the country.¹⁵

The just transition concept was developed by the labour movement to minimize the negative impacts on workers of the low-carbon transition. A just transition includes policies to enhance income supports for laid-off workers, provide skills training for the low-carbon economy, and create new green jobs in the areas where they're needed most.¹⁶ Just transition policies are essential for creating political buy-in for climate policies. In 2017, any government with progressive ambitions needs a robust and comprehensive plan for adapting the workforce to a low carbon economy.

TALK:

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WALK:

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The Liberal government has gone no further than acknowledging the importance of a “just and fair transition” in the pan-Canadian climate framework. It has implemented no policies specifically aimed at supporting fossil fuel workers or creating new, clean jobs in their communities.

The federal government, like the provinces, has instead taken the position that new green jobs will trickle down from investments in clean energy infrastructure. This unmanaged approach fails to ensure the low-carbon transition is either just or fair.

WAY TO AN A

- Develop and implement a just transition strategy for the shift to a low-carbon economy



SOCIAL PROGRAMS & PUBLIC SERVICES

Child care

GRADES

TALK:

B

WALK:

D

Outside of Quebec, child care remains one of the largest expenses for families with young children. A middle-income family in Toronto with an infant and a toddler, for example, may pay \$36,000 per year for child care.¹⁷

Under the Liberals, the federal government has re-engaged with the provinces on child care. Long-term funding for new spaces and providers is baked into the federal fiscal framework, which will create important infrastructure that hasn't existed for a decade. However, the investments to date are insufficient to make a real difference in the fees that parents pay. The latest federal spending is worth approximately half as much as a similar plan put forward in 2005. There appears to be little interest in improving the present arrangements.

The government fulfilled a promise to extend parental leave using employment insurance to 18 months. However, the move is unlikely to have much impact on parental decisions. Extending the leave period doesn't increase the total benefit for parents. Instead, it stretches the same benefits out over a longer period.

The Quebec model is preferable. Their “use it or lose it” benefit for the second parent—almost always the father—encourages both parents to stay home for the first five weeks. The policy is the primary reason why Quebec fathers stay home with children over that period and almost no fathers do in the rest of Canada.

WAY TO AN A

- Increase child care spending to 1% of GDP, similar to the OECD average
- Create a child care system that increases access while also decreasing fees for parents
- Implement Quebec-style “use it or lose it” parental leave for the second parent

SOCIAL PROGRAMS & PUBLIC SERVICES

Health care

GRADES

TALK:

B+

WALK:

C-

In the prime minister's 2015 mandate letters to new department heads, Canada's health minister was directed to develop a new Health Accord and to improve access to and reduce the cost of prescription medications.

Instead of negotiating a national Health Accord, however, the government elected to strike bilateral deals with the provinces and territories. Ultimately, this approach may reduce growth in health care transfers by half over the next 10 years.¹⁸ If that happens, there won't be enough funding to maintain current service levels, to expand existing programs, or to create new ones.

Furthermore, without national standards Canadians won't have equal access to health care. People living in poorer provinces will be disadvantaged and could experience negative health outcomes as a result. These new deals will place pressure on our already overextended public health care system, which will increase the pressure on governments to privatize.

The government has also failed to make prescription drugs more accessible and affordable. One in 10 Canadians cannot afford their medications, putting the health of 3.5 million people at risk.¹⁹ Canadians pay the second highest price for prescription medications in the world. Work-based drug plans only cover 60% of Canadians and few plans cover 100% of the costs.

The government has not promised to pursue a national pharmacare program, but the evidence in favour of the policy is clear. Canada is the only country in the world with a public health care system that doesn't include drug coverage. A national pharmacare program would ensure that all Canadians have access to the medications they need. Moreover, according to the Parliamentary Budget Officer, a national pharmacare program could also save Canadians, governments, and employers over \$4 billion per year.²⁰

WAY TO AN A

- Work with the provinces and territories to negotiate a new, national, public health care strategy and increase the funding dedicated to provincial and territorial health care transfers
- Develop and fund a universal, single-payer, public pharmacare program

SOCIAL PROGRAMS & PUBLIC SERVICES

Education

GRADES

TALK:

B-

WALK:

C+

The Liberal government increased funding for the Canada Student Grants program by 50% (\$1.53 billion over five years) in Budget 2016, and in 2017 they extended that funding to part-time students and students with dependents. However, by eliminating the education and textbook tax credits, the government's total spending on support for post-secondary students has actually declined.

The government made student loan repayment slightly more flexible by raising the Repayment Assistance Plan threshold from \$20,000 to \$25,000 of gross income, but the revised amount is still barely above the poverty line. Altering the terms of repayment does nothing to address the rising tuition fees driving record levels of debt.

The Liberals promised to spend an additional \$50 million per year on the Post-Secondary Student Support Program (PSSSP), which provides financial assistance to Indigenous students. Budget 2017 allocated \$90 million over two years to the program. The new funding is an improvement—it effectively removes the 2% cap on program growth imposed in 1996—but fails to compensate for years of underfunding. The Assembly of First Nations estimates that an additional \$424.8 million is necessary to plug funding gaps in the PSSSP and meet Canada's treaty responsibilities.

As promised, the government introduced a tax credit of up to \$150 for elementary and secondary school teachers who spend their own money on classroom supplies. The measure alleviates some of the financial pressures on educators but does not remedy the chronic underfunding of schools produced by years of austerity-induced budget cuts.

WAY TO AN A

- Increase investment in PSSSP to meet treaty responsibilities and clear waiting lists
- Work with provinces to resume shared federal and provincial responsibility for funding post-secondary education and decrease the burden placed on students and their families
- Commit to establishing a Post-Secondary Education Act that would set standards for universality, quality, and public accountability

SOCIAL PROGRAMS & PUBLIC SERVICES

Infrastructure and public transit

GRADES

TALK:

A

WALK:

C

The Liberals promised to invest an additional \$59 billion in public infrastructure over 10 years, eliminate the public-private partnership (P3) screen on such funding, reform and increase transparency of the New Building Canada Fund, and establish a Canada Infrastructure Bank (CIB). The bank would provide low-cost financing for new infrastructure projects and issue Green Bonds.

The government delivered on the additional funding in their long-term infrastructure plan (announced in Budget 2016) as well as the 2016 Fall Economic Statement and Budget 2017. The new funding, which is targeted at public transit and green and social infrastructure, meets and exceeds the Liberals' 10-year funding promise. Unfortunately, much of the funding is back-end-loaded, especially phase two of the long-term plan.

The Liberal government announced shortly after they took office that they were eliminating the P3 screen requirement for the New Building Canada Fund,²¹ which was set up by the previous government to facilitate the privatization of large public infrastructure projects. However, a P3 screen still appears to be in effect for federal departments.²²

The government passed legislation establishing a Canada Infrastructure Bank in 2017, but instead of providing low-cost public financing, as promised,

the CIB was established as a "bank of privatization." The bank, which is dominated by a private sector board, is designed to privatize large public infrastructure projects using high-cost private finance.

The government's commitment to infrastructure funding is positive, and the allocation of investments to social and green infrastructure is progressive. However, turning the Canada Infrastructure Bank into a bank of privatization will mean higher long-term costs for government, higher user fees for the public, and less transparency. The CIB is decidedly regressive.

WAY TO AN A

- Establish a national infrastructure bank that provides low-cost financing for public infrastructure in the public interest²³

SOCIAL PROGRAMS & PUBLIC SERVICES

Seniors and retirement security

GRADES

TALK:

A-

WALK:

B-

As promised, the government restored Old Age Security (OAS) benefits to age 65. This will help lower-income groups in particular to maintain dignity upon retirement.

The Canada Pension Plan (CPP) will be improved by increasing long-term benefit payouts (and contributions). The CPP expansion will help address the decline of workplace pension plans, particularly in the private sector. Unfortunately, the government's reforms do not go as far as those proposed in the Alternative Federal Budget. Despite the need for further expansion, the recent changes will likely be the last changes to the basic operation of the CPP for a generation.

The government promised a seniors' price index to ensure benefits from programs like Old Age Security keep pace with rising costs. The government has not yet implemented this index, but there may be better options available anyway. An index linked to industrial wage growth, for example, would ensure retirement benefits keep pace with earned incomes.

WAY TO AN A

- Establish a seniors' price index that more accurately tracks earned incomes

SOCIAL PROGRAMS & PUBLIC SERVICES

Public services

GRADES

TALK:

B

WALK:

C

The Liberals inherited a public service in disarray after a decade of layoffs and budget cuts. The ongoing Phoenix pay system debacle—the result of massive job cuts to compensation staff coupled with ignorance of the complexity of federal public service pay—exemplifies the problems created by the previous government.

Although the new government eventually assumed a leadership role and is working with public service unions to mitigate the Phoenix fallout, it took them far too long to acknowledge the severity of the problem.

The government has also been slow to reinstate program funding and services that were lost over the previous 10 years. Only 9,000 new full-time jobs are planned, compared to 25,000 jobs lost. The most recent staffing statistics show that almost 90% of hiring has been for precarious jobs.

In their election campaign, the Liberals promised to repeal several pieces of anti-union legislation. So far they have introduced legislation to reverse the worst of the policies passed by the previous government, but that legislation falls short of a full repeal and is yet to be implemented.

Budget 2017 introduced improved flexible work arrangements for federally regulated workers. However, the federal government has also been devolving and undermining the ability of federal workers to engage in alternative arrangements like telework.

WAY TO AN A

- Prioritize fixing the Phoenix pay system to ensure all public servants are properly compensated
- Enact whistleblowing legislation to protect public servants that expose government wrongdoing, as recommended by the standing committee on government operations and estimates
- Respect federal workers' rights and benefits in ongoing and future negotiations and disputes
- Create a Charter of the Public Service to encourage senior bureaucrats to speak truth to power without fear of reprisal



INTERNATIONAL TRADE & DEVELOPMENT

Legacy trade negotiations

GRADES

TALK:

B-

WALK:

D

The Liberals inherited two massive trade deals negotiated by the Harper government: the Trans-Pacific Partnership (TPP) and the Canada–EU Comprehensive Economic and Trade Agreement (CETA). Once in office, the new government promised to consult on Canada’s “potential participation” in TPP. They also pledged to implement CETA.

Donald Trump’s unexpected presidential victory and the subsequent U.S. withdrawal from TPP gave the government ample time to consult Canadians. It also provided a golden opportunity to abandon the unpopular pact. But after months of consultations, and public input that was overwhelmingly opposed to Canada’s participation, the government remains at the table, trying to salvage a moribund deal.

The implementation of CETA was disrupted by massive grassroots opposition in Europe, including from Belgian regional governments, that almost blocked the treaty’s signing. At the EU’s insistence, Canada agreed to change CETA’s unpopular investor-state dispute settlement system. These superficial reforms were bolstered by a cynical, last-minute

“interpretive declaration” meant to defuse public concerns. Yet CETA’s text remained unchanged, along with its threats to public services, access to affordable medicines, local government procurement, and public interest regulation.²⁴

With respect to these inherited deals, there has been little change from the previous government’s pro-big-business trade policy.

WAY TO AN A

- Formally withdraw from the TPP negotiations
- Suspend CETA implementation until all EU member states have ratified, and permanently abandon CETA’s investment court system

INTERNATIONAL TRADE & DEVELOPMENT

Emerging trade negotiations

GRADES

TALK:

B+

WALK:

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The true test of the Liberal government's self-styled progressive trade agenda will be the NAFTA renegotiations and any future Canada–China FTA.

Trudeau has called for a NAFTA “that improves workers' safety and security, protects the environment, addresses climate change, respects gender equality and the rights of Indigenous people.”²⁵ While the proposed labour chapter contains some improvements, other initiatives on gender equity, climate change, and Indigenous rights appear to be mere window dressing.

The Liberal government wants to modernize NAFTA while “doing no harm” to corporate Canada.

Meanwhile, Trump's “America First” agenda poses grave threats to Canadian dairy farmers, the affordability of medicines, privacy rights, public interest regulation, and key export sectors. NAFTA's investor-state dispute settlement system has been repeatedly used to attack environmental policies, yet Canada is not pushing for its removal.

Given these challenges, Canada needs an exit strategy. As CCPA research has shown, if Trump's new NAFTA is worse than falling back to WTO rules, then Canada should walk away.²⁶

Canada is also pursuing a free trade deal with China, though protections for labour and human rights are unlikely to get much traction. Canada's highly imbalanced trade relationship with China cost an estimated 105,000 manufacturing jobs between 2001 and 2011.²⁷ China's desire for secure access to Canadian fossil fuels will undermine efforts to curb climate change. Rather than a comprehensive FTA, Canada should focus on areas of mutual benefit, such as boosting renewable energy.

WAY TO AN A

- Firmly defend key Canadian interests in the NAFTA renegotiations and be prepared to walk away from a damaging new deal, even if it means losing NAFTA altogether
- Pursue sectoral deals with China outside of a free trade agreement

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