



# THE PROVINCIAL ROLE IN CANADA'S POST-COVID ECONOMIC RECOVERY



## **WE CAN'T AFFORD AUSTERITY**

Provinces must play their part in inflating the economy, not contribute to the further deflating of our economy. That requires an active economic role, including providing direct employment. To add to the unemployment rolls, or to cut provincial spending at this point, would be completely contrary to what is needed, which is action to inflate a completely flattened economy.

To ignore this basic fact is to ignore all the lessons of history. Austerity and restraint now will simply make a bad situation worse, period. There can be no responsible debate about that. The sun does rise in the East, and the world is not flat.

A healthy economy will generate tax revenue; a weak economy will drag us all further into the hole.



It's not like austerity would be a new idea: it's an old, tired, and failed model. Austerity has given us hallway medicine, has allowed needed personal protective equipment (PPE) to expire to cost save, has given us cuts to public health, an underfunded education system, overcrowding in prisons, and dangerously neglected and poorly resourced long-term care. More of this is no solution.

## **WE NEED FAIR TAXATION**

Fair taxation is the sine qua non of any economic recovery. Too many provinces have engaged in a perverse race to the bottom, vying to see who can cut corporate and wealthy income taxes the deepest. In doing so, they have starved the provincial revenue of badly needed resources. That is such an obvious result that many people have speculated that it was the intended result, a way of justifying cuts to the public sector that could not otherwise be justified.



We have heard over and over that “we are all in this together.” If that is true, then we all need to do our share in the recovery, according to our ability. Profitable corporations and the wealthy must pay their fair share of taxes. Corporate tax cuts must be reversed. Wealth taxes must be introduced. Tax

dodges and havens must be eliminated. Any tax breaks should be specifically tied to job creation—no jobs, no tax break.

We all know how to get enough revenue into government coffers. All we need to do is implement the tools that are available to us.

## **WE NEED A NEW EQUALIZATION PROGRAM IN CANADA**

We need to start with the simple premise that a province cannot retain ultra-low taxes, cannot insist on low corporate taxes, cannot refuse to ensure that reasonable royalties are collected from our resources, and then expect the rest of the country to bail them out—by paying taxes at a higher rate than they do.

But then, when we have established that bar, we should simply ensure that every province that meets the basic tests of fairness can afford to offer important public services at the same level.

## **WE NEED LAWS THAT PROTECT EMPLOYEES**

Our media is awash with messages thanking front-line workers for their courage and commitment in these trying times. And they deserve every bit of those thanks.

But they also deserve more. They deserve better treatment.

Workers earning \$16 an hour or less lost either their jobs or over 50% of their work hours. But for workers earning more than \$48 an hour, very few lost jobs or hours, about 2% at most. Many of the low-income workers who didn't lose their jobs were among those labeled as heroes, and properly so. Worthy to be called heroes, but not worthy of earning a hero's wages?

It is an unambiguous fact that employees who have union protection fared better during the pandemic. They had more rights to sick leave and job protection. They had more enforceable rights to safety at work, and better wages to start with. The laws should be reworked to not just allow unionization, but to make unionization a social objective. The law should encourage unionization, should make unionization easier for employees to attain.

Canada has a huge and growing precarious workforce. These workers, without full-time jobs, with no assured wages, with no chance of being paid if they miss even a day of work, with no employment rights, were the first to suffer economically when the





pandemic shutdowns occurred. And they were the most vulnerable to the pressure to continue working at the risk of their health and even their lives. We need to reverse the trend towards ever-growing occupational precarity.

Employers should have to hire within a system that requires a certain number of full-time jobs for every casual position. Labour laws should specify that every casual employee is entitled to prorated sick leave and vacation leave, and so on. And the right of all casual workers to be considered employees, eligible for statutory benefits like EI and CPP, and able to unionize, should be absolute.

## **WE NEED TO REBUILD OUR HEALTH CARE SYSTEM**



We entered the pandemic with a health care system that was weakened by too many years of the low-tax, austerity agenda. Our hospitals were run down and not fully staffed; we already had waiting lists for too many services, and the proper equipment was not available. Basically, we had allowed governments to cut taxes for profitable corporations and the wealthy, and then claim they couldn't afford a fully functioning modern health care system.

All during the pandemic, we heard governments—the ones that responded with integrity—say that they were basing their decisions on the advice of health care professionals. Now it is time to rebuild our health care system on the same principle. Let us build our health care system based on the advice of the professionals in it: the public health care experts, all of the many professionals delivering health care, all of the front-line workers who we so honoured during the crisis. How many times did we hear political leaders say that they were not the ones best equipped to make the decisions? Well, they were right. Let's remember that going forward.

## **WE NEED TO RESCUE OUR LONG-TERM CARE SYSTEM**

Residential care facilities must be covered under the Canada Health Act (CHA). These facilities were among the hardest-hit locations for COVID-19. Too many workers in those facilities risked their own health, and that of their families, to care for others.

Governments have allowed for-profit private ownership to take root across communities — despite decades of evidence showing that for-profit residential care facilities have seriously underperformed that of the publicly owned and operated ones.

Now with the pandemic, the evidence has never been clearer that for-profit homes are





are a risk to the lives of the residents. Research has shown conclusively that for-profit long-term care homes had significantly higher death rates than non-profit and publicly owned homes. 8 times higher, in fact.

The federal government must extend the provisions of the Canada Health Act to include Canada's residential care facilities. This would

ensure that they must meet the 5 principles of the CHA: public administration, accessibility, comprehensiveness, universality and portability.

Then the federal government must set national standards and offer funding to the provinces to ensure that their long-term care facilities meet those standards.

## **WE NEED TO TACKLE INEQUALITY HEAD ON**

The levels of income and wealth inequality in Canada are far too high and have been growing for far too long. That basic fact has been established over and over. It's time to do something about it. Those with the lowest incomes were hit hardest by COVID, economically, and even in terms of the rates of serious illness and death arising from the virus.



We know how to fix the problem.

Stronger workers' rights. Fair taxation allowing for stronger social programs. Homes for the homeless, social programs for those that need help. Government involvement in the economy, not just as a champion for corporations, but as the representative of the people.

One important step is to put absolute limits on CEO and executive suite pay.

Income inequality kills. It causes suffering. It is curable.

## **WE NEED TO TACKLE GENDER INEQUALITY HEAD ON**

Women paid a higher price during the pandemic. Full stop. Women have been harder hit



with COVID-related unemployment than have men. The retail and hospitality industries were hard hit, and those are areas where very many women work.

The gender pay gap compounds this inequality—not only were women losing jobs at higher rates, but they were making less money to begin with.

And this is worse for racialized women, who were again earning less before the crisis hit.

Single parents have been hit harder, too. The majority of single parents are women. With schools and child care and early learning centres shut down, it would be very difficult for them to continue working.

A true recovery must be a recovery that addresses these fundamental inequities and—finally—resolves them.

## **WE NEED TO REBUILD OUR ECONOMY ON A SUSTAINABLE BASIS**

It is no longer rational to argue that we should continue with economic development that is damaging to our environment. No fully rational person could look at the evidence and say we need to rebuild without any regard to the environmental consequences.

If we continue to destroy our planet, the death and disruption caused by COVID will seem inconsequential in comparison.

Surely, we all know that.

If we still need to marshal the arguments, it is not because we are facing a lack of facts, it must instead be that we are facing willful blindness.



We know how to build an economy that does not depend on ruining our planet. We know we need to do so. A sustainable economy would have better, safer jobs. There really are no jobs that will survive a climate catastrophe.



## NATIONAL UNION OF PUBLIC AND GENERAL EMPLOYEES

- B. C. Government and Service Employees' Union (BCGEU)
- Health Sciences Association of British Columbia (HSABC)
- Health Sciences Association of Alberta (HSAA)
- Saskatchewan Government and General Employees' Union (SGEU)
- Manitoba Government and General Employees' Union (MGEU)
- Ontario Public Service Employees Union (OPSEU)
- Canadian Union of Brewery and General Workers (CUBGW)
- New Brunswick Union of Public and Private Employees (NBU)
- Nova Scotia Government and General Employees Union (NSGEU)
- PEI Union of Public Sector Employees (PEI UPSE)
- Newfoundland & Labrador Association of Public and Private Employees (NAPE)

The National Union of Public and General Employees is an affiliate of the Canadian Labour Congress and a member of Public Services International.

■ 15 AURIGA DRIVE  
NEPEAN, ONTARIO  
CANADA / K2E 1B7

■ [613] 228-9800  
FAX [613] 228-9801

■ [www.nupge.ca](http://www.nupge.ca)

■ [national@nupge.ca](mailto:national@nupge.ca)

