

CANADA

Canada and COVID-19: One Year Later

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The COVID-19 pandemic exacerbated fundamental inequalities in Canada, made worse by an inadequate, inconsistent and disjointed approach to safeguarding the well-being of the most vulnerable across the country. Significant financial support has been extended to businesses and households, providing a lifeline over the past 18 months, but profound gaps in Canada's social infrastructure and income security programs continue to undermine these efforts. Meanwhile, the trend toward greater privatization and financialization proceeds apace.

This report looks at the impact of the pandemic in Canada and at the government's response since March 2020. The big question is whether Canada, by default, will revert to the "same old, same old" after the crisis. Or will it seize the opportunity to build back better, recognizing that this last mile will be the hardest.

COVID-19: The great revealer

The deck was stacked against marginalized people going into the pandemic. A year later, the challenges are even greater in Canada's highly unequal society. The inequities that were baked into Canada's system have been graphically exposed and exacerbated by the COVID-19 pandemic.

When the pandemic struck, Canada was initially slow to take action, waiting until mid-March to close the borders to foreign nationals and restrict non-essential travel, failing to heed the warnings from the scientific community that COVID-19 was not going to be easily contained. Governments began the scramble to secure needed supplies, medication, and personal protective equipment due to low stockpiles—the result of years of neglect—and precarious supply chains. As Canadian families left the country for March Break vacations, confirmed cases were on the rise.²

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² On March 12, the same day Ontario Premier Doug Ford told families they should not cancel their March break plans: "Go away, enjoy yourself and have a good time." On March 16, Prime Minister Trudeau announced the closure of the border to most foreigners.

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The first wave of infections began to level off in June, not before more than 8,000 people had died, the vast majority of whom were in long-term care homes.³ While hospitals took quick action to prepare for an expected surge in the number of patients, the tragedy unfolded in nursing homes—mostly in Quebec and Ontario—which were sidelined in the country’s planning and left wholly unable to deal with the COVID-19.

According to the Canadian Institute for Health Information, long-term care residents accounted for 81% of all reported COVID-19 deaths in Canada through the first wave of the pandemic, far outpacing the average of 16 other OECD countries (at 42%).⁴

Canada had a measure of success flattening the curve through the early summer but failed, again, to heed the warnings of health experts to take proactive measures to contain the emergence of a second and then third wave of COVID-19 infections. Outside of Atlantic Canada and the northern territories, which closed their borders to interprovincial travel, COVID-19 cases surged in late fall as a second wave took hold, and again in March and April 2021 as new variants emerged. This was the result of delayed public health directives and poorly targeted supports, the refusal to introduce paid sick leave for vulnerable workers, and a delayed vaccination program. In Ontario, even as field hospitals were being set up to ease the burden of overflowing ICUs, the provincial government delayed announcing stay-at-home orders over Easter weekend because “we wanted to make sure that the modelling was actually showing up in our hospitals.”⁵ After the pleas of doctors, the government finally introduced a limited sick-pay scheme that has had very little take up. Too little, too late.⁶

As of July 2021, over 1.4 million cases of COVID-19 have been confirmed in Canada, with at least 26,500 dead⁷—an increase of over 20,000 deaths since July 2020. This figure is likely a significant undercount of those who died⁸ and does not reflect the steep rise in fatalities related to the opioid crisis⁹ and delayed

About one million Canadians returned the following week, with no effective screening processes in place. Stephen Maher (2021), [Year One: The untold story of the pandemic in Canada](#), *Maclean’s magazine*, March 24, 2021.

³ <https://covid19.who.int/region/amro/country/ca>

⁴ CIHI (2020), [Pandemic Experience in the Long-Term Care Sector How Does Canada Compare With Other Countries?](#)

⁵ Jessica Smith Cross, [“Health experts, politicians question Ford cabinet’s understanding of COVID modelling,”](#) QP Briefing, April 8, 2021.

⁶ Mike Crawley (2021), [“Ontario’s COVID-19 paid sick day program getting little takeup,”](#) CBC News, July 23, 2021.

⁷ <https://covid19.who.int/region/amro/country/ca>

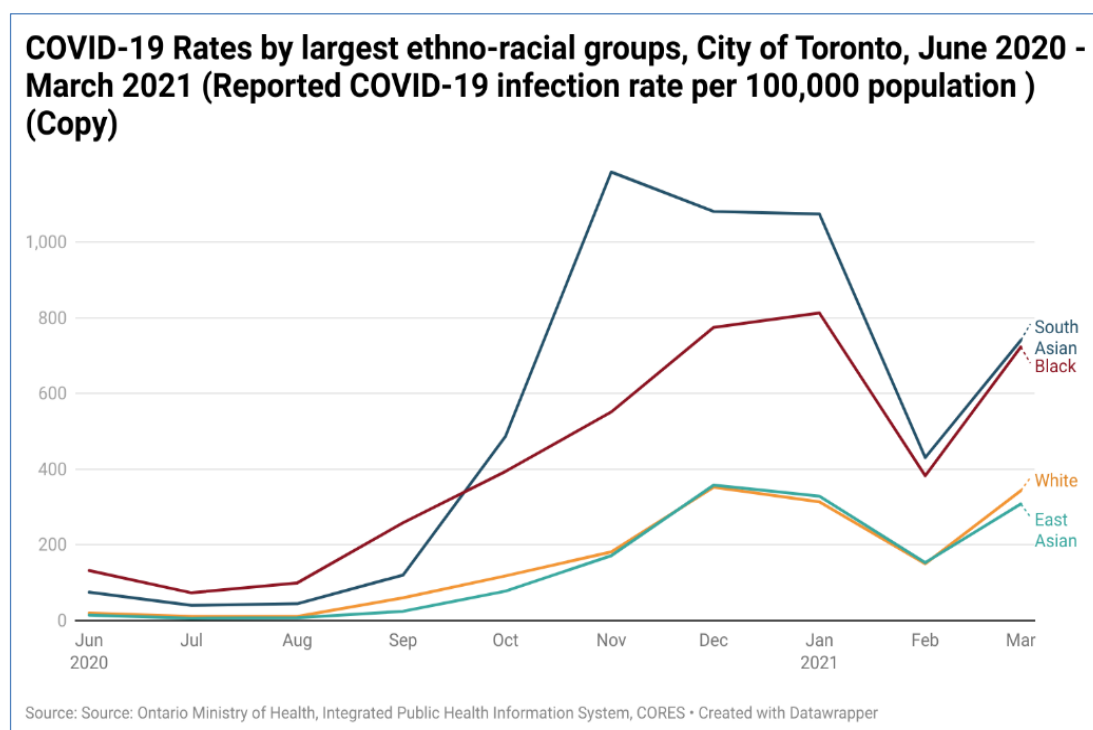
⁸ Royal Society of Canada (2021), [Excess All-Cause Mortality During the COVID-19 Epidemic in Canada](#).

⁹ Government of Canada (2021), [Opioid- and stimulant-related harms in Canada](#).

medical procedures.

As elsewhere, the burden of the illness has fallen most heavily on vulnerable communities. Research confirms that COVID-19 mortality rates, for instance, have been much higher in neighbourhoods with larger numbers of racialized residents compared to those with fewer racialized residents.¹⁰ According to Public Health Toronto, rates of infection among South Asian and Black residents continue to far exceed those reported among white and East Asian residents and have done so through three waves of the pandemic.¹¹

No one is even sure how many people with disabilities have fallen ill or been vaccinated because these data aren't being collected.¹²



Who paid the price?

¹⁰ The mortality rate in highly racialized neighbourhoods is more than 3 times higher than in the lowest-proportion ones in Quebec and Ontario and more than 10 times higher in British Columbia. Statistics Canada (2021), [COVID-19 in Canada: A one-year update on social and economic impacts](#), Catalogue no. 11-631-X.

¹¹ City of Toronto (2020), [COVID-19 infection in Toronto: Ethno-racial identity and income](#).

¹² Danielle Groen (2021), [Vaccinating Toronto: The last 25 percent](#), *The Local*.

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Like the fate of long-term care residents, stark disparities in the rate of infection evident in Toronto's public health data were not unexpected either—the result of long-established disparities across a range of social and economic indicators. The communities that have been hardest hit are also the communities with a high concentration of racialized people, newcomers to Canada, the unemployed, and people living in cramped, unsuitable housing with limited access to health and social services.¹³ These communities are home to many essential workers who work as nurse aides and orderlies, as cashiers and shelf stockers, as truck drivers and workers in food processing plants.¹⁴ For these workers and their families, the lockdowns, such as they were, made little or no difference because they were unable to shelter at home, forced to continue to work, in too many instances, without basic employment protections or access to paid sick leave.

By fall of 2021 it was clear that Canada was experiencing a fourth wave of COVID-19 with the spread of the Delta variant. This hasn't stopped provincial re-opening plans initiated in the summer. A successful vaccination campaign and a decline in hospitalizations and deaths has led to the easing of public health restrictions and the gradual re-opening of borders. The share of the total population (including those under age 12) that has received at least one dose (73%) and the proportion that has received two doses (67%) are among the highest in the world.¹⁵

On the economic front, a recovery is underway from losses reported most recently during Canada's third wave of lockdowns—notably in Ontario and western Canada. The June 2021 jobs report from Statistics Canada revealed an increase in employment as provincial economies opened up, recouping 84% of losses reported in April and May.¹⁶ Young people, in particular, finally began to pick up (largely part-time) employment after a devastating year.¹⁷ The government and private sector forecasters are expecting positive economic growth throughout the rest of 2021—linked in the near term to a boost in spending among those

¹³ City of Toronto (2020), [COVID-19 and the social determinants of health: What do we know?](#)

¹⁴ Jennifer Yang, et.al. (2020), "[Toronto's COVID-19 divide: The city's northwest corner has been 'failed by the system'](#)," *Toronto Star*.

¹⁵ Government of Canada (2021), [COVID-19 Vaccination Tracker](#) (September 3, 2021).

¹⁶ Statistics Canada. [Table 14-10-0287-01 Labour force characteristics, monthly, seasonally adjusted and trend-cycle, last 5 months.](#)

¹⁷ Unemployment rates for young Canadians increased by about 6 percentage points from 2019 to 2020, roughly twice the increase observed among older Canadians, while their rates of employment fell by 8 percentage points. The percentage of young men and young women not employed, in education or training (NEET) increased by between 3 and 4 percentage points over this period, to 14.4% and 13.4%, respectively. René Morissette (2021), "[Portrait of youth in Canada: Data report. Chapter 2: Youth employment in Canada](#)," Statistics Canada, Catalogue no. 42-28-0001.

households that amassed considerable savings over the course of 2020.¹⁸ But considerable uncertainty remains.

This follows a difficult year. The initial rebound in economic activity in spring 2020 was rapid but the pace of growth stalled in fall—edging upward and falling downward with successive economic lockdowns. In June 2021, economic activity (-1.7%),¹⁹ levels of employment (-1.8%),²⁰ and aggregate hours worked (-4%)²¹ were still below pre-pandemic levels, as was the number of active businesses, notably in tourism (-7.4%), arts and recreation (-7.1%), accommodation and food (-4.4%) and other services, such as hair salons (-5.8%).²² The rate of unemployment was 7.8%, roughly two percentage points above pre-crisis levels,²³ and the group of long-term unemployed grows larger by the month.²⁴ Almost 700,000 workers were still struggling with pandemic-related employment losses or substantial reductions in working hours while another 230,000 (72.3% of whom were women) have left the labour force altogether.²⁵

What these headline statistics don't reveal is who has been caught on the wrong side of the COVID-19 pandemic. Three million Canadians lost their job and another 2.5 million lost between 50% and 100% of their working hours between February and April 2020—roughly three out of 10 Canadian workers.²⁶ These shocking Depression-level job impacts were required to flatten the curve of COVID-19's spread. But the economic burden was not equally shared. Employment losses were the highest among those employed in precarious jobs and those in the lowest hourly wage bracket. In the first two months of the pandemic, 30.2% of temporary workers lost their job, almost double the average loss of 15.7%. Four out of 10 employees earning less than two-thirds of the 2019 median hourly wage (38.1%) lost work, as did one in four of those

¹⁸ Government of Canada, [Budget 2021: Details of economic and fiscal projections](#), April 2021.

¹⁹ Statistics Canada, [Table 36-10-0104-01 Gross domestic product, expenditure-based, Canada, quarterly](#)

²⁰ Statistics Canada, [Table 14-10-0287-01 Labour force characteristics, monthly, seasonally adjusted and trend-cycle, last 5 months](#).

²¹ Statistics Canada, [Labour Force Survey - June 2021](#), *The Daily*, July 9, 2021.

²² Statistics Canada, [Table 33-10-0270-01 Experimental estimates for business openings and closures](#) for Canada, provinces and territories, census metropolitan areas, seasonally adjusted.

²³ Statistics Canada, [Table 14-10-0287-01 Labour force characteristics, monthly, seasonally adjusted and trend-cycle, last 5 months](#).

²⁴ Matt Lundy (2021), ["Canada's challenge: Getting the long term jobless back to work,"](#) *Globe and Mail*, July 7, 2021.

²⁵ Statistics Canada, Labour Force Survey (custom tabulation).

²⁶ David Macdonald (2020), [The unequal burden of COVID-19 joblessness](#), Behind the Numbers, Canadian Centre for Policy Alternatives.

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paid by the hour (25.1%).²⁷

In Canada, the lowest earning group is overwhelmingly female and highly racialized. Fully half (52%) of all low-wage workers earning less than \$14 an hour or less were laid off or lost the majority of their hours between February and April. This included 58% of low-wage women and 45% of men in the same earnings bracket.²⁸ Employment losses were particularly high among newcomers to Canada (those who have immigrated to Canada within the last 10 years), a large majority of whom are racialized.²⁹

Over one-third of recent immigrants (-37.7%) who were employed in February 2020 had lost their job or the majority of their working hours by the end of April—eight percentage points above the losses posted by Canadian-born workers (-29.1%).³⁰

Like the downturn, the recovery has proven to be as unequal, demonstrating “the brutally unfair concentration of this recession on the backs of those who can least afford it.”³¹ Some groups of workers recouped their employment losses quite quickly last summer (most working from home didn’t skip a beat at all), but those working in low-wage, front-facing sectors, such as accommodation and food services and retail trade, as noted earlier, have been on an economic roller coaster. The following chart shows our K-shaped recovery—a pattern evident among both women and men. In July 2021, the level of employment among female workers earning less than \$17 per hour was still -9.1% below February 2020 levels, while the gap among men in this earnings bracket was -8% below pre-pandemic levels. Other survey research over the last year has demonstrated persistently high levels of financial stress among Indigenous³² and racialized households³³ as well as among people with disabilities.³⁴

²⁷ Statistics Canada (2020), “[Labour Force Survey, April 2020](#),” *The Daily*.

²⁸ Katherine Scott, et.al. (2020), [Resetting Normal: Women, Decent Work and Canada’s Fractured Care Economy](#).

²⁹ According to the 2016 Census, 80% of immigrants who came to Canada between 2006 and 2016 were from a visible minority group. Statistics Canada, 2016 Census of Population, Statistics Canada Catalogue no. 98-400-X2016191.

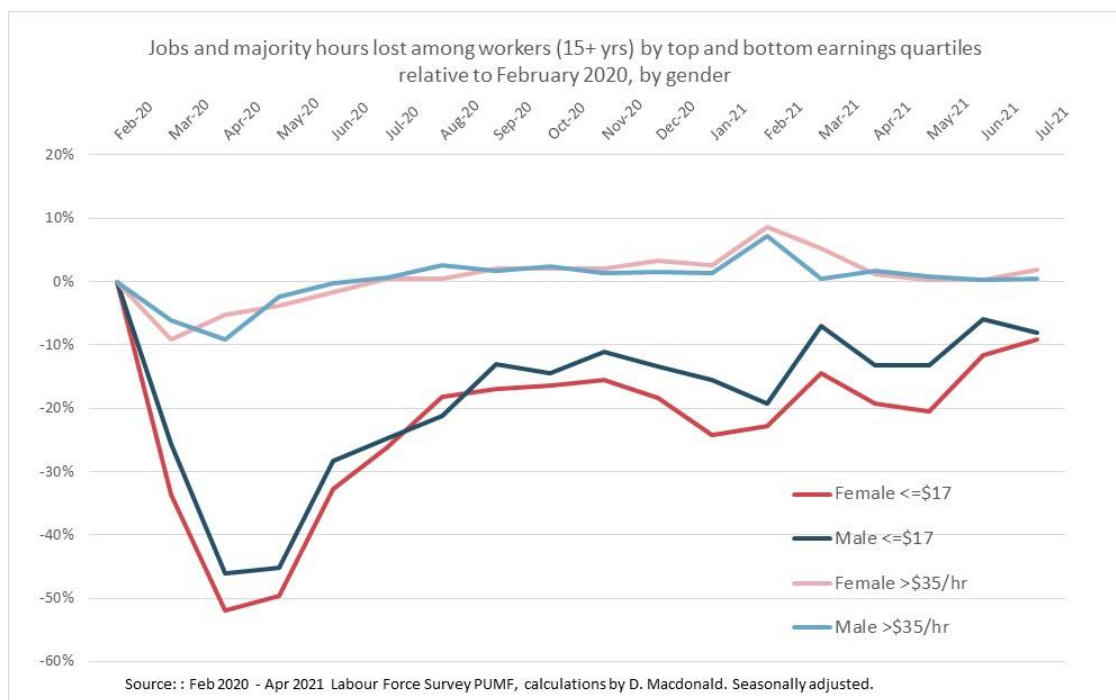
³⁰ Katherine Scott, et.al. (2020), *Resetting Normal*.

³¹ Jim Stanford (2020), “[Encouraging job numbers but a long way to recovery](#),” Rabble.ca

³² Statistics Canada (2020), “[Impacts on Indigenous Peoples](#),” The social and economic impacts of COVID-19: A six month update.

³³ Statistics Canada (2021), “[Study: A labour market snapshot of Black Canadians during the pandemic](#),” *The Daily*, February 24, 2021.

³⁴ Statistics Canada (2020), “[Impacts of COVID-19 on persons with disabilities](#),” *The Daily*, August 27, 2020.



This has been the most troubling trend of the economic downturn. Despite all the talk of “essential workers” and everyone being “in this together,” the stark reality is that job and income losses—as well as the profound losses associated with the effective closure of schools and reduced access to health and community supports—have hit marginalized people the hardest. Low-wage workers and their families are in the fight of their economic lives while high-income earners have prospered—not only continuing with their jobs in relative safety³⁵ but, also, realizing the gains associated with the run-up in housing values, pension plans, investment holdings fuelled by well-intentioned monetary policies and the savings associated with working from home and deferred travel and entertainment.³⁶

³⁵ Only 9.2% of employees in the bottom decile of the wage distribution held a triple-protected job – that is a job that (a) has no predetermined end date; (b) has a low risk of being lost or transformed due to automation; and (c) is resilient to pandemics. By contrast, 87.2% of those in the top decile did. Highly educated and high-wage workers were far more likely than other workers to hold a triple-protected job. Marc Frenette and René Morissette (2021), “[Job security in the age of artificial intelligence and potential pandemics](#),” Statistics Canada, Economic and Social Reports, Catalogue no. 36-28-0001.

³⁶ Statistics Canada (2021), [Household economic well-being during the COVID-19 pandemic, experimental estimates, fourth quarter 2020](#), *The Daily*, May 28, 2021.

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Temporary workers, refugees and undocumented migrants are living on a knife's edge. They are among the many who have performed essential work over the course of the pandemic, at huge risk to themselves and their families, without the legal rights, workplace protections or access to health care that other residents of Canada enjoy. The consequences were immediately evident last summer as hundreds of migrant farm workers fell ill and three died. And so it went among those working in meat processing plants³⁷ and in health care facilities.^{38,39} Bound by the need for employment, few felt they could speak out about unsafe working conditions, crowded housing, stolen wages or the negligent treatment of employers.⁴⁰

People with disabilities haven't figured into the discussion at all.⁴¹ Many more are having difficulty meeting their financial obligations and paying for essential needs.⁴² Rates of poverty were already very high among people with disabilities,⁴³ many of whom are compelled to subsist on welfare benefits that fall far below the poverty line.⁴⁴ This support doesn't begin to compensate for the extraordinary expenses that people with disabilities have incurred throughout the pandemic, nor for the labour involved in trying to locate PPE, secure support workers in huge demand, and access needed medical care, safe transportation and workplace accommodation.⁴⁵

³⁷ As of March 1, 2021, more than 4,750 workers have been infected at meatpacking facilities, with at least 14 reported deaths – the highest of any industrial setting. Farms and warehouses have also seen big numbers: nearly 2,200 infections have tested in agriculture, and almost 1,500 in warehouses and distribution centres. See: Tavia Grant (2021), [When COVID-19 strikes workplaces, what does real transparency look like? Why disclosure is rare, but revealing](#), *Globe and Mail*, March 18, 2021

³⁸ COVID-19 infections in Canadian health care workers have tripled since the end of July 2020, bringing the total number of reported cases to 65,920 (as of January 15, 2021). Since the start of the pandemic, 24 health care workers have died from COVID-19. CIHI (2021), [COVID-19 cases and deaths in health care workers in Canada](#).

³⁹ Nora Loreto, a community-based researcher, has followed workplace COVID-19 outbreaks since the onset of the pandemic. By her count, as of July 2021, 125 workers outside of health care and 62 health care workers have died of COVID-19. See:

https://docs.google.com/spreadsheets/d/1M_RzoiK0vwF9nAozl7aoyLpPU8EA1JEqO6rq0g1iebU/edit#gid=269567169

⁴⁰ See: Stephanie Nolen, "The Essentials: We relied on these workers through the worst of the pandemic. Will Canada let them stay?" *Toronto Star*, July 30, 2021; Migrant Workers Alliance for Change (2020), [Unheeded Warnings: COVID-19 & migrant workers in Canada](#).

⁴¹ Karl Andrus (2020), [Precarity in a pandemic](#), Disability Justice Network of Ontario.

⁴² Fei-Ju Yang et. al. (2020), [The changes in health and well-being of Canadians with long-term conditions or disabilities since the start of the COVID-19 pandemic](#), Statistics Canada, Catalogue no. 45280001.

⁴³ Stuart Morris, et.al. (2018), ["A demographic, employment and income profile of Canadians with disabilities aged 15 years and over, 2017"](#), Statistics Canada, Catalogue no. 89-654-X2018002.

⁴⁴ Anne Tweedle and Hannah Aldridge (2019), [Welfare in Canada, 2018](#). Maytree Foundation.

⁴⁵ Emily Fagan (2021), ["Disabled Canadians face uphill struggle for regular care as COVID-19 drains resources"](#), *Globe and Mail*, March 22 2021.

Women have faced unique challenges, forced to step up to shoulder a huge increase in unpaid labour and educational support, many stepping out of employment altogether. School closures and the demands of virtual learning,⁴⁶ reduced access to child care⁴⁷ and the suspension of many community supports, such as recreational programming⁴⁸ and attendant care services for children and adults with disabilities, exacerbated the already unequal division of labour in the home—threatening to undermine hard-won gains in women’s economic equality.

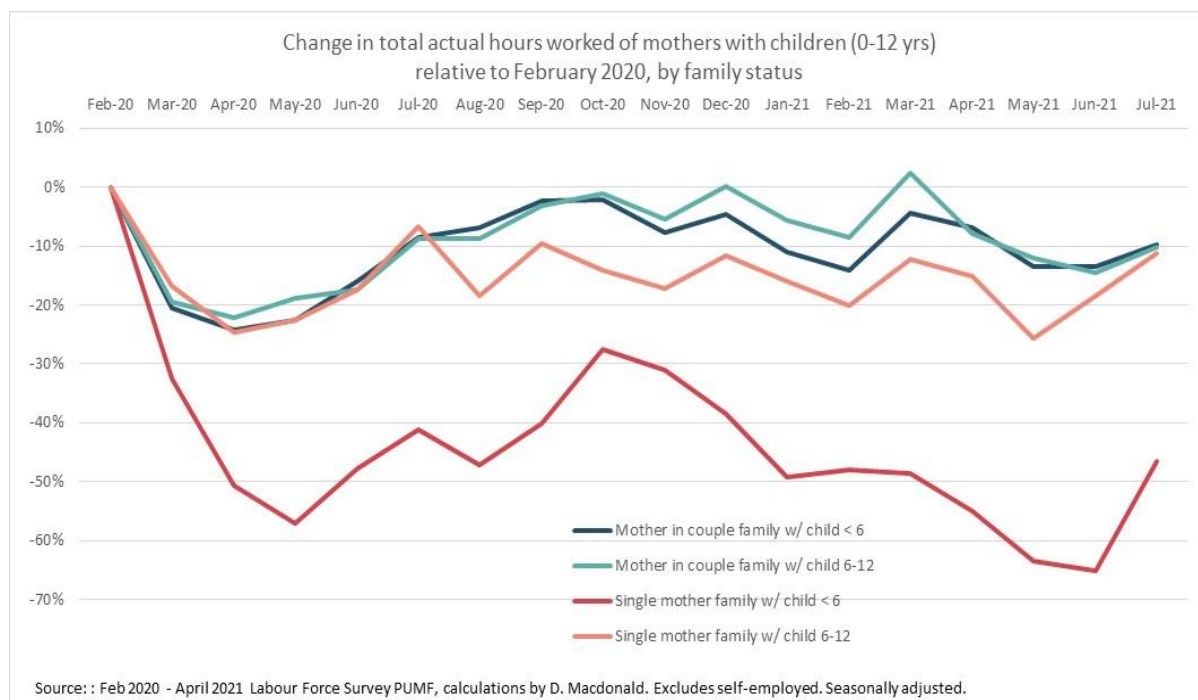
On this score, lone parents have experienced greater loss of employment and working hours than parents in couple families and are recovering much more slowly. Indeed, since October, single-parent mothers with children under 6 have lost considerable ground. In July 2021, they were working -46.6% fewer hours than in February 2020, while single mothers with school-aged children (6-12 years) were working -11.2% fewer hours, up from abysmally low levels in June. A decline in the number of independent lone-parent households is already evident in survey data as these families have been forced to move in with family members or other friends in order to survive and care for their children.

⁴⁶ UNESCO (2021), [Total duration of school closures](#). Schools in Canada have been fully or partially closed for an average of 51 between March 2020 and June 2021.

⁴⁷ Statistics Canada (2021), [Canadian survey on the provision of child care services](#), January 2021, *The Daily*, June 15, 2021. In January 2021, approximately two-thirds (65%) of centre-based child care providers and half of unlicensed (51%) and licensed (47%) home-based providers reported that they had shut down temporarily because of the pandemic, but that they have since reopened. A significant proportion of unlicensed providers remain closed. Over this period, there was a 22% (or 190,000) decline in the number of children attending child care.

⁴⁸ ONN and Assemblée de la francophonie de l’Ontario (2021), [COVID-19: State of the Ontario Nonprofit Sector – One Year Later](#). One-third of sport and recreational organizations in Ontario experienced staff layoffs and one-third reported permanent closures in the sector.

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Canada's pandemic response: Hits and misses

Large scale interventions have been successful in stabilizing household incomes

The pandemic blew open the significant holes in Canada's health care system and social safety net. At the same time, it shone a bright light on its dysfunctional governance structure and fiscal arrangements. Despite Canada's experience with the SARS outbreak in 2003, public health infrastructure was not up to the task of detecting nor acting decisively to contain a threat such as COVID-19.⁴⁹ Nor did the federal government impose a coordinated public health response, as it might have done if it had invoked the *Emergencies Act*. Rather, it watched from the sidelines as the provinces and territories adopted their own disparate and, in many instances, ineffectual approaches to managing the pandemic and mobilizing the health care response.⁵⁰

Early cooperation quickly gave way to well-rehearsed disputes over jurisdiction and funding as governments attempted to sidestep blame for second and third waves of community infection.⁵¹ For their part, municipalities struggled to head off the potential disaster in community services, such as those serving the homeless and victims of violence, as sources of revenue for public transit and the like collapsed. Individuals

⁴⁹ Stephen Maher (2021), [Year One: The untold story of the pandemic in Canada](#), *Maclean's magazine*, March 24, 2021.

⁵⁰ Emily Cameron-Blake, et.al. (2021), [Variation in the Canadian provincial and territorial responses to COVID-19](#), Blavatnik School of Government Working Paper, BSG-WP-2021/039, March 2021.

⁵¹ Lindsay McLaren and Trish Hennessy (2020), [A broader vision of public health](#), Canadian Centre for Public Policy.

and families were effectively left on their own to respond to often confusing and contradictory public health directives. Families struggled to navigate virtual schooling and child care closures. People with disabilities, and others in need, struggled to access needed supports. Migrant workers were stranded without access to income security or employment protections.

For its part, the federal government concentrated its efforts on mobilizing financial resources to stabilize financial markets and household incomes through a combination of direct measures targeting businesses and individuals, transfers to other levels of government for health care, schools and shelters, as well as infrastructure investment and liquidity supports. The government was able to marshal its considerable spending power to this end, taking advantage of historically low interest rates and a manageable debt-to-GDP ratio.

The disparity in fiscal power between levels of government is evident in an analysis of pandemic spending. The total value of federal and provincial government measures related to COVID-19 now stands at almost \$620 billion for the three-year period starting in 2019-20.⁵² Of this, the federal government accounts for 86% of total COVID-19 spending, with the provinces covering 14%. This includes federal expenditures of \$336 billion in direct spending, along with an additional \$29 billion in transfers to the provinces, for a total contribution of \$366 billion.

The provinces contributed another \$57 billion for direct measures over this period.

The scale of Canada's response is significant compared to peer countries—a reflection of both the severity of the pandemic and its economic fallout. The International Monetary Fund estimates that the Canadian measures implemented in 2020 represented 14.6% of GDP in additional spending and foregone revenues and another 4% of GDP via liquidity support measures.⁵³ While transfers to businesses (e.g., the Canada Emergency Wage Subsidy) is and remains the largest category of support,⁵⁴ Canada stands out among other

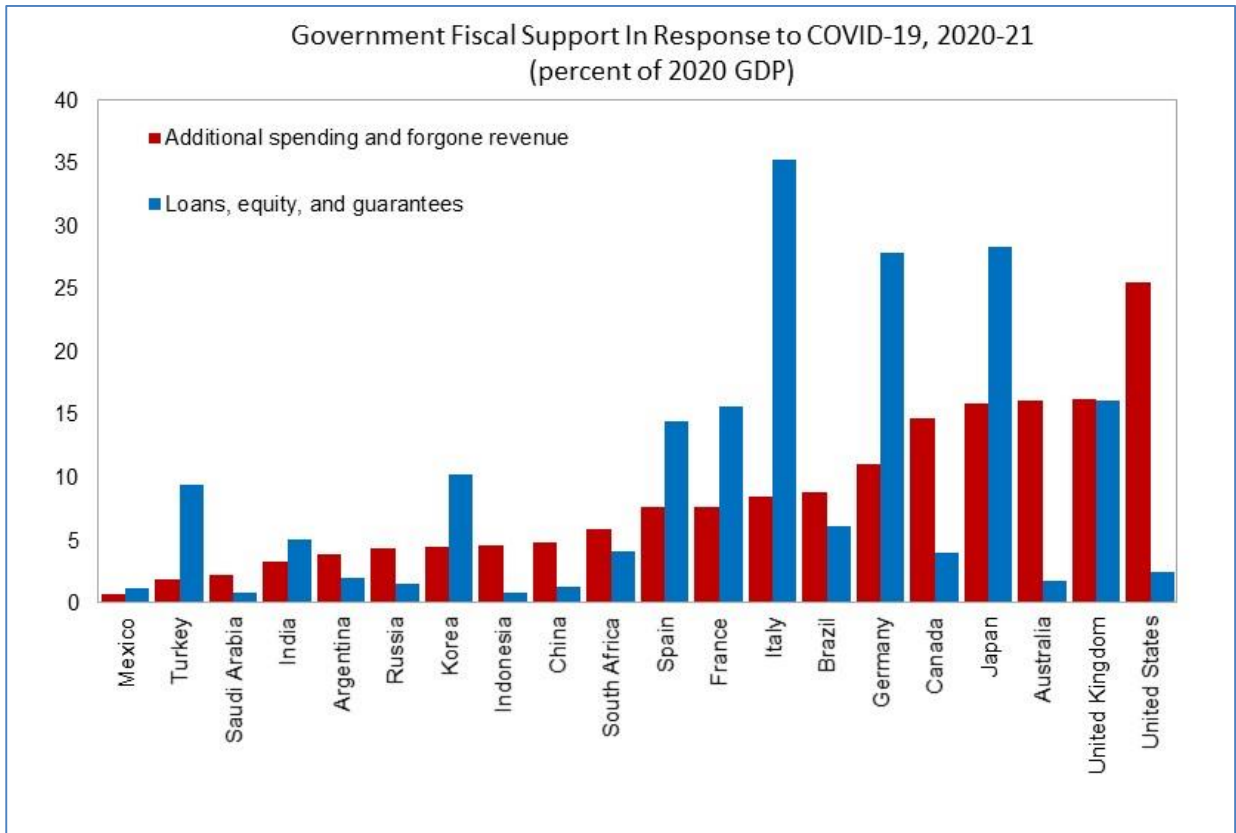
⁵² David Macdonald (2021), [Still picking up the tab: Federal and provincial government COVID-19 spending up to the spring 2021 budgets](#), Canadian Centre for Policy Alternatives.

⁵³ IMF (2021), [Fiscal Monitor](#), April 2021.

⁵⁴ To date, support measures for business have represented 42% (or \$176 billion) of total spending on direct measures. Support measures targeting individuals is the next largest category at 36% (\$151 billion), followed by health spending including vaccine procurement at 15% (\$65 billion), municipalities at 2.4% (\$10 billion), infrastructure at 1.2% (\$5 billion), emergency funding for

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high-income countries for devoting an above-average share to households⁵⁵—a crucial strategy that worked to mitigate the immediate financial impacts of the crisis on low-income individuals and help fuel economic recovery.



Source: IMF, *Fiscal Monitor* April 2021.

Success was not assured. From the beginning of the pandemic it was clear that Employment Insurance (EI), Canada's primary social insurance system for adults facing employment loss, would not be able to respond to a crisis of this magnitude. It was not administratively up to the task of delivering timely support and, by design, it didn't cover large segments of the working population.⁵⁶ Lacking an effective or appropriate income support program, the federal government moved quickly to create the Canada Emergency Response Benefit

schools and child care services at 0.9% (\$4 billion) and other supports such as homelessness services, aid for post secondary students, and retraining, etc. at 2.8% (\$12 billion). David Macdonald (2021).

⁵⁵ Dominic Richardson, et.al. (2020), [Supporting Families and Children Beyond COVID-19: Social protection in high-income countries](#), *Innocenti Research Report*, UNICEF Office of Research—Innocenti, Florence. Around 90% of the 14.9 trillion USD spent on COVID-19 responses by rich countries from February through July 2020 went directly to, or was funnelled through, businesses.

⁵⁶ The EI system typically pays out benefits to only 40% of workers experiencing unemployment.

(CERB) in March 2020 to pinch hit for EI, dramatically increasing the share of workers covered, making it easier to apply, and offering more generous benefits to eligible low-wage workers (at \$2,000/month). Whereas the hours-based eligibility structure of EI and strict eligibility criteria have always effectively screened out many part-time, part-year workers—mostly women—the new program and its successor programs (Canada Recovery Benefit, Canada Recovery Caregiving Benefit, Canada Recovery Sickness Benefit) extended vital support to precarious workers and the self-employed, including the provision of a limited (and cumbersome) entitlement to paid sick leave⁵⁷ and a more expansive approach to providing support to parents and caregivers.⁵⁸

Direct support to businesses, including community-based non-profits and charities delivering critical health and social services, was also crucial to keeping households and communities afloat. In the absence of a scalable job retention program, Canada introduced a temporary work subsidy scheme in April 2020, which provided payroll rebates of up to 75%.⁵⁹ By July 2021, more than 450,000 businesses had applied for and received support from the Canada Emergency Wage Subsidy (CEWS) program.⁶⁰ Without the CEWS, employee compensation would have dropped by -19.5% between the fourth quarter of 2019 and the second quarter of 2020. CEWS softened the blow (employee compensation fell by -9.6% in 2020Q2) and is still offsetting losses.⁶¹ Along the way, the program also sent billions to companies that ended up experiencing short-lived dips in their business.⁶² This flawed program design enabled highly profitable companies to boost dividends and pad executive bonuses, even as some cut the wages of their employees.⁶³

⁵⁷ Millions of workers remain without access to paid sick leave, through workplace plans, collective agreements or statutory protections. In 2016, over half of all employees (58%) did not have paid sick leave. Among those earning less than \$25,000 per year, over three-quarters did not have leave. Armine Yalnizyan (2020), [After CERB](#).

⁵⁸ Jennifer Robson (2020), [El failed so we made CERB](#).

⁵⁹ Stefano Scarpetta, et.al., (2020), [Job retention schemes during the COVID-19 pandemic lockdown and beyond](#), OECD.

⁶⁰ Government of Canada (2021), [Claims to date – Canada Emergency Wage Subsidy](#)

⁶¹ Statistics Canada, Table 36-10-0112-01, Current and capital accounts - Households, Statistics Canada, Table 36-10-0118-01, Current and capital accounts - General Governments.

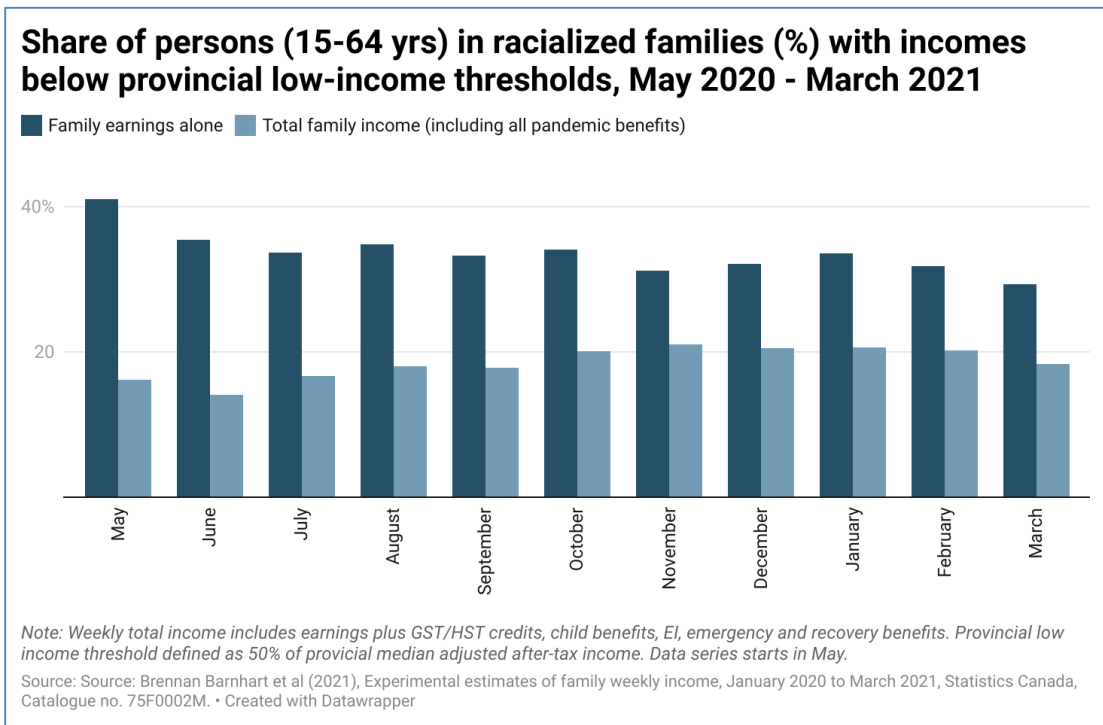
⁶² Patrick Brethour et.al. (2021), “Wage subsidies were meant to preserve jobs. In many cases, the \$110.6-billion response padded bottom lines,” *Globe and Mail*, May 11, 2021.

⁶³ David Macdonald and Alicia Massie (2021), [Boundless bonuses: Skyrocketing Canadian executive pay during the 2020 pandemic](#), Canadian Centre for Policy Alternatives.

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The government took only modest steps to limit the scope of the program when it extended the program in winter 2021.⁶⁴

In a time of great economic upheaval and rapidly rising shelter costs, Canada's emergency income benefits have played an essential role in sustaining households whose livelihoods have been upended by the pandemic.⁶⁵ Had it not been for these programs and other one-time payments, Statistics Canada estimates that the poverty rate (based on market earnings) would have risen to almost 40% last April.⁶⁶ As it was, low-weekly earnings were more than offset by government pandemic relief benefits, with the poverty rate (as measured by total income) falling below the February 2020 level (23%) and holding steady at an average of 17% in 2021. These programs were especially important for racialized and Indigenous workers. The poverty rate among racialized people, for instance, was effectively cut in half from May through August last year. The poverty gap between those who are racialized and those who are not significantly narrowed.



⁶⁴ See: Michael Smart (2020), [News on CEWS](#), Finances of the Nation.

⁶⁵ OECD (2021), [Inequalities in Household Wealth and Financial Insecurity of Households](#).

⁶⁶ Brennan Barnhart et al (2021), [Experimental estimates of family weekly income, January 2020 to March 2021](#), Statistics Canada, Catalogue no. 75F0002M.

Other policy measures and gaps are undermining Canada's recovery

At the same time, there were critical gaps in the pandemic response, resulting from a lack of political coordination, jurisdictional conflict and mixed messaging, and a history of neglect and privatization that has systematically undermined Canada's public services. Canada's public and non-profit sectors massively stepped up during the pandemic, working gruelling hours to ensure that COVID-19 patients received care, that the unemployed were supported, that the homeless had a safe place to stay. In too many instances, however, these same essential workers did not have the resources and tools needed to keep everyone safe and supported. This work, including the cost and labour, was downloaded onto individuals and families—and the women within them—compounding the isolation and stress of the pandemic. Indeed, the sizable increase in women's share of unpaid care work and domestic labour since the onset of pandemic measures⁶⁷ was a wholly predictable outcome of Canada's neglected care economy and now stands as a considerable barrier to women's future labour market participation and access to better working conditions and higher earnings.

There can be tremendous value in the flexibility of a federal system that facilitates the targeting of unique need and fosters innovation. In Canada, the Atlantic provinces and northern territories acted quickly to form regional bubbles. Those who lived within the Atlantic bubble, for instance, could travel relatively freely, but outsiders were screened when entering and had to quarantine for 14 days. Limits on the size of indoor gatherings and a successful contact-and-trace programs helped to push daily case counts to near zero and considerably reduced community transmission. Broad public support and steady political leadership were key. Had the rate of transmission been the same as other rural areas in Canada, it is estimated that the region would have experienced 33,000 more cases and 600 more deaths.⁶⁸

The federal government, municipalities and community service providers also successfully worked to head off the spread of the virus among the homeless population living in shelters and on the streets—a population at acute risk of illness and death.⁶⁹ Emergency funding was quickly dispersed to agencies serving the homeless and people fleeing violence to assist with needed renovations, supplies and programming, but it was

⁶⁷ Oxfam Canada, [Oxfam Omni Report](#), June 9, 2020.

⁶⁸ Jacques Poitras (2021), "[Was it luck – or was New Brunswick actually quite good at responding to COVID-19?](#)" CBC News, June 23, 2021

⁶⁹ Stefan Baral, et.al. (2021), [Seeking shelter: homelessness and COVID-19](#), *FACETS*, Vol. 6: 925-958.

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immediately clear that this short-term step would never be enough. Cities across the country started renting out newly empty hotels and conference spaces to safely house individuals and families, a move that had an immediate and appreciable impact on people's health and served to limit spread of the virus.⁷⁰ The federal government went on to allocate \$1 billion for rapid housing initiatives in October 2020 and then \$1.5 billion in the April 2021 budget, along with \$567 million for services. To date, 4,700 new units of affordable housing have been brought on stream.⁷¹

But this same flexibility and autonomy also delayed an effective public health response and generated confusion between “competing” experts and directives, as noted above.⁷² There were large differences, for instance, in testing, contact tracing and surveillance capacities as well as conflicts over the responsibility for supporting those in isolation. There were also substantial differences in the support provided to marginalized communities facing the highest risk to their health and well-being, which effectively undermined the Canada's pandemic response at every turn.

Increased investment in rapid housing for the homeless is a case in point. These investments opened up a new conversation about what was possible in a short space of time to address homelessness in Canada. At the same time, the experience highlighted the lack of needed wrap-around supports, such as on-site addictions and mental health services, which are essential to helping chronically homeless people stay housed and victims of violence find safe refuge. The very deep level of poverty among the homeless guarantees that these individuals and families have no hope of affording any type of housing anywhere in Canada. Without meaningful anti-poverty supports, women returned to violent situations and homeless people took shelter on the streets again, moving to encampments once the warm weather arrived.

The lack of an explicit and intersectional focus on poverty and the reality of marginalized communities, as well as the varied and/or non-existent responses from some governments at different jurisdictional levels remain among the largest stumbling blocks to Canada's pandemic response and its prospects for a just recovery. Social assistance recipients—the poorest of the poor in Canada⁷³—have been effectively left to

⁷⁰ Royal Society of Canada (2021), [Seeking shelter: Homelessness and COVID-19](#).

⁷¹ CMHC (2021), [Rapid Housing Initiative](#).

⁷² Lynn Unruh, et.al., (2021), [“A comparison of health policy responses to the COVID-19 pandemic in Canada, Ireland, the United Kingdom and the United States of America,”](#) *Health Policy* (2021).

⁷³ In 2019, over 1.9 people aged 16 and older relied on social assistance for all or a part of the year.

navigate the pandemic on income that is substantially below the poverty line in all provinces and territories.⁷⁴ For the hundreds of thousands of people with disabilities who are forced to rely on welfare, the experience has been harrowing as they tried to secure scarce PPE and access to needed medical care, safe transportation and workplace accommodation during the pandemic.⁷⁵ The struggle has been as difficult for single mothers trying to secure the needs of their family and maintain their own well-being in the face of reduced community supports.

Advocates question why benefit levels remain so low compared to the \$500-per-week extended to those facing employment loss under Canada's emergency benefits: "Do our lives count for less?"⁷⁶

In the early months of the pandemic, provincial and territorial governments introduced a variety of modest, one-time cash benefits to help people impacted by employment loss bridge to the Canada Emergency Response Benefit or CERB (e.g., Nova Scotia's Worker Emergency Bridge Fund). Others were one-time payments to assist with expenses (e.g., Manitoba's Disability Economic Support Program; Ontario's Support for Families payment).⁷⁷ Only five jurisdictions (British Columbia, Manitoba, Nova Scotia, Ontario and Northwest Territories) explicitly targeted people on social assistance for support. Among these jurisdictions, only B.C. increased monthly benefits. Indeed, most governments partially or fully clawed back CERB benefits from eligible recipients who lost some or all of their employment, resulting in widely different levels of support depending upon the province or territory of residence.⁷⁸ These actions all amounted to a huge windfall for provincial and territorial governments, at the expense of the most marginalized, as caseloads

Statistics Canada, [Table 11-10-0239-0: Income of individuals by age group, sex and income source, Canada, provinces and selected census metropolitan areas](#).

⁷⁴ Anne Tweddle and Hannah Aldridge (2019), [Welfare in Canada, 2018](#), Maytree Foundation.

⁷⁵ Karl Andrus (2020), [Precarity in a pandemic](#), Disability Justice Network of Ontario.

⁷⁶ Adina Bresge (2020), "[Do our lives count for less?: COVID-19 exposes cracks in Canada's disability aid](#)," *The Globe and Mail*, August 12, 2020.

⁷⁷ See Vinusha Gunaseelan, Alissa Klingbaum and Thrmiga Sathiyamoorthy (2020), [Jurisdictional scan of COVID-19 income transfer programs in Canada](#), Wellesley Institute.

⁷⁸ Gillian Petit and Lindsay M. Tedds (2020), "[The Effect of Differences in Treatment of the Canada Emergency Response Benefit across Provincial and Territorial Income Assistance Programs](#)," *Canadian Public Policy*, June 24, 2020.

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dropped in provinces that introduced a partial exemption or did not chose to exempt any CERB income.⁷⁹

The same pattern of neglect was amply illustrated in the refusal of many provinces to introduce paid sick leave for all workers—a fundamental support in the context of a pandemic. More than half of workers in Canada (58%) do not have employer-paid sick leave and among this group, 74% earn less than \$25,000 per year.⁸⁰ This group of workers experienced some of the highest levels of exposure to COVID-19, with no safety net. Canada’s disjointed provincial job-protection laws and federal income support for short-term sick leave failed miserably to protect their lives and well-being. Going into the pandemic, only Prince Edward Island and Quebec offered legislated paid sick days—one day and three days, respectively. The federal government brought in the Canada Recovery Sickness Benefit (CRSB) as stopgap benefit, but flaws in its design ensured limited take up among precisely those who needed it most. For workers who live paycheque to paycheque, the time it takes to apply for and await a separate benefit has proven to be prohibitive. For temporary workers and those with precarious immigration status, taking any time off is a risk. Low-income workers are choosing work over health and safety because they cannot afford to do otherwise.⁸¹ After sustained pressure and mounting deaths during the third wave, the province of Ontario brought in a temporary program offering three days of paid leave but there has been limited take up. Much too little, much too late.⁸²

The response to the crisis in care, and its disproportionate impact on women, has been hit and miss as well. Canada’s child care system was already vulnerable before the pandemic hit; its stock of regulated, affordable and inclusive care insufficient to meet the needs of children and families.^{83,84} When the pandemic hit, public health directives forced the closure of thousands of centres and family-based child care providers. Even as

⁷⁹ John Stapleton (2020), [Canada’s CERB: How an emergency benefit designed for exposed people became a giant windfall for governments](#), Open Policy Ontario.

⁸⁰ Partnership for Work, Health and Safety (2020), [Ability to work from home and paid sick leave benefits by precarious employment and socioeconomic status](#), Research Brief.

⁸¹ Rosa Saba (2020), [“Front-line and low-income workers would benefit most from paid sick leave, advocates say,” Toronto Star](#), November 19, 2020; Ryan Patrick Jones, [“Federal sickness benefits fall short of paid sick leave protections, advocates say,” CBC News](#), January 14, 2021.

⁸² Mike Crawley (2021), [“Ontario’s COVID-19 paid sick day program getting little takeup,” CBC News](#).

⁸³ Canada ranks poorly by international standards. Canada ranked 34 out of 36 OECD countries in 2015 with respect to spending on family services, including child care, at 0.2% of GDP—below the United States (at 0.6%) and leader Iceland (at 2.4%). OECD, [Family database: Public policies for families and children](#).

⁸⁴ Martha Friendly et.al. (2020), [Early childhood education and care in Canada 2019](#), Child Care Resource and Research Unit, p. xiii.

restrictions eased, child care services dependent on parent fees struggled financially to deliver service in the face of rising program costs, staff shortages and declining enrolment.⁸⁵ The loss of child care capacity, along with rotating school closures, impacted women greatly, contributing to a precipitous drop in women’s labour force participation. Between February 2020 and January 2021, mothers were more than 10 times more likely than fathers to leave their job to care for children—and these rates were higher among racialized and immigrant women.⁸⁶

The federal government provided \$625 million to the provinces to help stabilize the child care system (considerably less than the \$2.5 billion that advocates were calling for⁸⁷), but the response varied between jurisdictions. Many people used these funds, along with their own monies, to assist with the purchase of cleaning supplies, safety equipment, and other upgrades necessary to comply with health guidelines. British Columbia made a larger contribution than most, through its Temporary Emergency Funding program for licensed child care services, providing almost \$20,000 a month to help cover operations through mandated closures in spring 2020. Other governments, however, made only minimal investments, some waiting months to allocate federal funds⁸⁸—despite women’s lagging employment recovery and the precarious status of service providers.⁸⁹

The essential workers top-up program followed the same course. In April 2020, as the tragedy in long-term care homes was unfolding, the federal government announced its intention to create a program to support low-wage essential workers who were working in very difficult circumstances at great personal risk. Federal funds were made available to provinces on a cost-shared basis (75% federal, 25% province) to provide wage

⁸⁵ See also David Macdonald and Martha Friendly (2021), [Sounding the alarm: COVID-19’s impact on Canada’s precarious child care sector](#), Canadian Centre for Policy Alternatives.

⁸⁶ Dawn Desjardins and Carrie Freestone (2021), [COVID Further Clouded the Outlook for Canadian Women at Risk of Disruption](#), RBC Economics, March 4, 2021.

⁸⁷ See Martha Friendly, Morna Ballantyne and Lynell Anderson (2020), [Rebuilding childcare in Canada must include a national strategy](#), *Policy Options*, Institute for Research on Public Policy.

⁸⁸ Government of Saskatchewan (2020), [News release: Child care facilities receiving nearly \\$2 million for COVID-19 safety measures](#), December 14, 2020. Child care staff received a salary top up of \$400 per month between March 15 and July 4, 2020.

⁸⁹ A survey of licensed and unlicensed child care providers revealed a drop in enrollment of 22% between January 2020 and January 2021. One in seven (or 14%) temporarily closed operations during the pandemic and did not reopen, notably among unlicensed home-based businesses. Statistics Canada (2021), [Canadian Survey on the Provision of Child Care Services, January 2021](#), *The Daily*.

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top-ups to poorly paid frontline workers—an overwhelming female and mostly racialized workforce. The programs were designed and administered by the provinces, some providing additional funds to expand the number of workers covered and to boost funds available to individuals.⁹⁰ Quebec’s program was the largest of the provinces, part of an aggressive effort to stabilize staffing in long-term care facilities that were reeling from high levels of illness and death.⁹¹ But five out of 10 provinces (Nova Scotia, New Brunswick, Manitoba, Saskatchewan, and British Columbia) chose to leave federal money for essential workers on the table—a total of \$126 million. Alberta finally announced its program for essential workers in the public and private sector in February 2021, waiting nine months before confirming its support.⁹²

A just and sustainable recovery for all

Millions of low-wage workers and other marginalized groups now face tremendous financial uncertainty as emergency benefits wind down. Some workers won’t have jobs to return to in the fallout of the pandemic. Community organizations and businesses that have been holding it together with the help of expiring federal wage subsidies may well close, which would deal a huge blow to workers and the communities that they support. Other workers have yet to return to full-time work. Some are tied down by care obligations, many are fearful of health risks involved with rising levels of community infection, others are holding out for better employment opportunities and better wages—understandably reluctant to commit once again to the grind of precarious, dangerous work.⁹³

Provincial reopening plans have not inspired confidence. Most provinces still do not offer paid sick leave, forcing vulnerable workers to choose between a paycheque and isolating when ill.⁹⁴ Hospitals are still working flat out to clear delayed surgeries and medical procedures as COVID-19 case counts rise in many

⁹⁰ The primary focus, in most instances, was on health care workers, such as personal support workers, shelter workers and child care staff. Manitoba, Quebec, Newfoundland and Labrador and P.E.I. extended the designation to include selected private sector workers, such as grocery store cashiers.

⁹¹ Benjamin Schlinger (2020), [“Quebec offers low wage essential workers extra \\$100 per weekly to stay on the job,”](#) *CBC News*, April 3, 2020.

⁹² Government of Alberta (2021), [Critical worker benefit](#).

⁹³ Nick Bunker (2021), [Indeed Job Search Survey June 2021: COVID Concerns and Financial Cushions Make Job Search Less Urgent](#), Indeed Hiring Lab. Coronavirus is a major factor keeping unemployed workers from stepping up their search activity. Among the unemployed, concern about COVID-19 is the most commonly cited reason for a lack of urgency in looking for work.

⁹⁴ Carolina Jimenez RN and Jesse McLaren (2021), [From CRSB to provincial schemes, permanent & employer-paid sick days still missing](#), Decent Work and Health Network.

jurisdictions.⁹⁵ The return to school is around the corner but insufficient funds and resources have been committed to make schools safe for children and to support the sizeable number of students who have fallen behind or who are facing mental health challenges.⁹⁶ Women may, yet again, have to step in to bridge gap, especially since child care capacity is still limited and out of reach for many families. There is a large group of mothers in their prime-earning years who will experience a lifetime of lower earnings and pension benefits because they have been forced to step out of the labour market.

The COVID-19 pandemic exacerbated fundamental inequalities in Canada, made worse by an inadequate, inconsistent and disjointed approach to safeguarding the well-being of the most vulnerable across the country. Significant financial support has been extended to businesses and households, providing a lifeline over the past 18 months, but profound gaps in Canada’s social infrastructure and income security programs continue to undermine these efforts. Meanwhile, the trend toward greater privatization and financialization proceeds apace.

The big question is whether Canada, by default, will revert to the “same old, same old” after the crisis. Or will we seize the opportunity to build back better, recognizing that this last mile will be the hardest? A hope and a prayer aren’t going to be enough to strengthen Canada’s social safety net and dismantle systemic barriers that are holding back marginalized communities. This will require a plan with clear goals, timelines and a division of labour; a plan that centres the voices and experiences of marginalized people and that includes the long-term investments needed to make it a reality.

Creating a vibrant caring economy

COVID-19, which required the imposition of emergency pandemic control measures, has demonstrated how economically and socially precarious many Canadians—and the services that they depend on—are after 30 years of austerity and privatization. The pandemic has also exposed the systematic undervaluing of women’s paid and unpaid care work. Pandemic emergency measures prioritized collective public good. Recovery planning can continue to do so by removing gender and racial bias from economic and social policy and by centring the experiences of diverse and marginalized communities in recovery planning.

⁹⁵ CBC News (2021), [Ontario to run hospitals at 115% capacity to clear pandemic surgical backlog](#).

⁹⁶ Robyn Urback (2021), [Ontario’s COVID-19 back-to-school plan: hoping, praying and replaying](#), *Globe and Mail*, Aug. 5, 2021; Andrea Woo (2021), [“Parents, staff and students confused, anxious about lack of COVID-19 safety guidance for Alberta schools,”](#) *Globe and Mail*, Aug. 9, 2021.

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Now is the moment to revitalize social and physical infrastructure, to create a system of comprehensive, high quality, publicly managed caring services that supports all communities. Investment in the care economy is particularly important given the gendered character of economic losses, especially among Indigenous, im/migrant and racialized women who have been disproportionately impacted by the pandemic. Investing in social infrastructure has the added benefit of paying for itself over time⁹⁷ through increased employment and earnings, reduced income security benefits and emergency services, and healthier communities. Child care, long-term care, and services for victims fleeing violence are examples of three sectors that demand transformative change.

Early learning and child care: Building an affordable and accessible public early learning and child care plan is an immediate priority. It has taken a public health crisis for the essential role of early learning and child care to be widely recognized and for the fragility of Canada’s existing provisions to be laid bare. This year, the federal government took action, committing a historic \$27.2 billion over five years to build a “Canada-wide, community-based system of quality child care,”⁹⁸ with the goal of bringing fees for regulated child care down by 50% on average by the end of 2022 and to an average of \$10 a day by 2026. The government also identified the proper valuation of the work of childhood educators and support for the expansion of non-profit child care services as key priorities for this new funding. It has signaled that it will table early learning and child care legislation in fall 2021 to enshrine the principles of a Canada-wide child care system in law and, working with stakeholders, to build a baseline of common, publicly available data on which to measure progress, report to Canadians, and continuously improve the system.

Currently, the federal government is negotiating bilateral agreements with provincial, territorial and Indigenous governments to reach these goals. Child care advocates are working hard to ensure that these agreements facilitate the replacement of ineffective market-based approaches to service funding with an equitable, direct funding approach—the only assured way of achieving fair compensation for staff, high-quality programming for children, and affordable fees for families.⁹⁹ They have called on governments to direct expansion funding exclusively to non-profit service providers.¹⁰⁰

⁹⁷ Women’s Budget Group (2016), [“Investing in the Care economy to boost employment and gender equality.”](#)

⁹⁸ Government of Canada (2021), Budget 2021.

⁹⁹ Child Care Now (2021), [Canada’s Roadmap to Affordable Child Care for ALL.](#)

¹⁰⁰ Currently 28% of child care centre spaces in Canada are operated for profit, with many families relying on for-profit centres for care. See: Martha Friendly, et.al (2021), [Risky Business: Child care ownership in Canada past, present and future.](#) Childcare Resource and Research Unit.

Budget 2021 promised be transformative for child care. But there is a long sorry history of failure to deliver in Canada. The 2017 bilateral child care agreements drove positive change in some provinces and territories, but in the absence of conditions for the expenditure of federal funds, other provinces actually cut their child care programs. The hope this time around is that a substantial infusion of new funding, new legislation enshrining accountability and public reporting, and multi-stakeholder implementation committees on the ground will lead to child care expansion across Canada.

Long-term care: Long before the coronavirus hit, Canada's health care system was struggling to meet community needs, drained and strained by austerity measures over the past two decades. Allowing long-term care and home care support to be structured as low-paid, precarious work provided by women who can't afford to stay home when they're ill has proven to be a disastrous choice.¹⁰¹ The expansion of large private chains that generate sizable profits through short-staffing, lower wages, few (if any) benefits, and no pensions has exponentially compounded the risk to vulnerable residents and workers.¹⁰² Canada urgently needs to make new investments in care for seniors and people with disabilities that are tied to national standards of care and employment, as well as reliable access to training, personal protective equipment, and related supports for staff.

Federal budget 2021 announced a process for developing national standards, with a nominal allocation of \$3 billion over five years, the details of which are to be negotiated with provincial and territorial governments. But experts warn that new standards alone won't solve the many problems in the sector that were exposed by the pandemic. Currently, 100% of long-term care homes in Quebec require accreditation, but Quebec's homes were among those hardest-hit by the pandemic. The answer to long-term reform will hinge on what the provinces do to meet future standards and to fill the large and persistent staffing shortages. It will also depend on active enforcement and penalties for those in violation. Canada does not have a good track record in this regard.

¹⁰¹ Working Group on Long-Term Care (2020), [Restoring Trust: COVID-19 and the future of long-term care](#), Royal Society of Canada.

¹⁰² Marco Chown Ovid, et.al. (2020), "[For-profit nursing homes have four times as many COVID-19 deaths as city-run homes, Star analysis finds](#)," *Toronto Star*.

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In the interim, accounts of major system failures reported as part of coroner's inquests¹⁰³ and commissions of inquiry¹⁰⁴ have confirmed the need for fundamental reform. Several provinces have plans to build new homes and increase staffing levels, but an examination of provincial budgets reveal that none have set aside funding that's needed to achieve these goals.¹⁰⁵ In Ontario, at the height of the pandemic in 2020, the government awarded millions of dollars in contracts concerning future bed allocations to for-profit providers and awarded sizeable monetary incentives to upgrade these deficient homes after decades of neglect.¹⁰⁶ Renewed political commitment and resources are needed to achieve transformational change to ensure future residents of long-term care facilities can live with dignity.

Violence against women/gender-based violence services: Gender-based violence (GBV) is a persistent blight on the lives of women and children in Canada; a situation made infinitely worse by the ongoing pandemic, creating even larger barriers for those attempting to flee violence. These pressures have been particularly acute among Indigenous women, women with significant mental health concerns, 2SLGBTQQIA+ people, women with disabilities, rural residents and immigrant women, who are at higher risk of violence than others. Last year, evidence gathered from frontline organizations revealed a 20% to 30% increase gender-based violence rates in some regions of the country. Organizations supporting survivors of violence continue to struggle to meet increased demand given that their organizational capacity is stretched to the limit.

This past year, the federal government allocated \$100 million in support of shelters serving women and children fleeing violence, sexual assault centres and other support programs to provide assistance to purchase supplies and re-orient services. These investments, and those from provincial and territorial governments, provided crucial support but fell considerably short of the comprehensive, cross-jurisdictional and intersectional approach needed to reverse rising levels of violence, address the terrible human costs, and ensure that women and their families can live free from violence and the threat of such violence, wherever they live.

¹⁰³ Verity Stephenson (2021), [Shocking details about Quebec's 1st wave revealed at inquest into long term care deaths](#), CBC News, June 21, 2021.

¹⁰⁴ Ontario Long Term Care Commission: <http://www.ltccommission-commissionsld.ca/>

¹⁰⁵ See Financial Accountability Office of Ontario (2021), [Ministry of Long-Term Care: Spending Plan Review](#).

¹⁰⁶ Richard Warnica (2021), ['Devastating to watch': Private long-term care homes have seen some of Ontario's worst death rates – but Doug Ford's new funding sets them up for decades of profit](#)," *Toronto Star*, July 15, 2021.

The government has since committed \$600 million in Budget 2021 to support anti-violence programming over five years, including funding for a secretariat to coordinate the development and implementation of a National Action Plan to End Gender-based Violence in collaboration with other levels of government, Indigenous peoples, gender-based violence experts, and survivors of gender-based violence. It remains to be seen what the National Action Plan will entail and how the process for its development will unfold. A coalition of anti-violence experts has developed a “ready roadmap for the NAP” setting out 128 recommendations to guide this process.¹⁰⁷ The federal government has also announced \$2.2 billion to “accelerate” work on a National Action Plan in response to the 2019 Final Report of the National Inquiry into Missing and Murdered Indigenous Women and Girls’ Calls for Justice.¹⁰⁸ An implementation plan is still under development while Indigenous women continue to wait for urgent action to prevent the abuse, exploitation, disappearances and murders of Indigenous women and girls.¹⁰⁹

Building a modern income security system

The federal government took several important steps in the first years of its mandate to tackle poverty. It reformed and enhanced Canada’s child benefit system, boosted benefit levels for poor single seniors, and introduced a new Canada Workers Benefit. These measures lifted almost half a million people out of poverty between 2015 and 2018.¹¹⁰ In 2018, the government released its poverty reduction plan which, for the first time, set targets for reducing poverty, defined an official poverty line, and established a framework and a process for publicly reporting on progress.¹¹¹

Yet when the pandemic hit, the glaring holes in Canada’s social safety net were evident for all to see. Canada’s Employment Insurance system could not reach enough people. It could not pay them enough nor get money out quickly enough. Large groups of workers did not have access to paid sickness leave. There were no job retention programs in place to help offset the cost of wages for employees who were working

¹⁰⁷ A. Dale, K. Maki and R. Nitia (2021). “[Expert Engagement to Address and Prevent Gender-Based Violence Final Report.](#)” Ottawa, ON: Women’s Shelters Canada.

¹⁰⁸ National Inquiry into Missing and Murdered Indigenous Women and Girls (2019), [Reclaiming Power and Place: Final Report.](#)

¹⁰⁹ [Joint statement by the Ontario Native Women’s Association, Union of BC Indian Chiefs, Quebec Native Women, Pan Palmatier, Lynn Gehl, and FAFIA](#), June 2021.

¹¹⁰ The Market Basket Measure, Canada’s new official poverty line, has been used to calculate these figures.

¹¹¹ The targets have been criticized for lacking ambition. Indeed, the target for 2020 – to reduce the low-income rate by 20% against the 2015 baseline – was achieved nine months prior to the announcement. See: Government of Canada (2018), [Opportunity for All: Canada’s First Poverty Reduction Strategy.](#)

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reduced hours on a temporary basis. There were no supports in place to help families with caregiving as child cares, schools, and community-based programming shut down and revenues dried up. Nor were the resources available to meet the needs of marginalized communities facing a public health emergency of this magnitude.

The federal government responded quickly with an emergency benefit, the Canadian Emergency Response Benefit (CERB), which delivered a flat taxable benefit of \$500 per week to workers who were suddenly without work, on a reduced schedule, sick, or caring for family. This program extended support to the self-employed and precarious workers who were most impacted by the economic crisis but ineligible for Employment Insurance under its stringent qualifying rules. Other one-time payments were made to boost the income of low-income households, families with children, seniors, and people with disabilities. The Canada Emergency Student Benefit provided support to students and new graduates who were not eligible for the Canada Emergency Response Benefit or Employment Insurance.¹¹²

In September 2020, as the second wave of community infections took hold, the government brought in a new suite of recovery benefits to replace the CERB, currently set to expire in October 2021. Several additional measures were introduced in the spring, including extending more flexible access to the EI program for a year and permanently increasing the maximum number of weeks available under EI sickness, expanding eligibility for the Canada Workers Benefit and the Disability Tax Credit, and increasing federal transfers to the provinces and territories for training. But the major reform that is so desperately needed was pushed off. Consultations on EI reform, for example, will proceed over the next two years. A separate three-year consultation is underway on the design of a new Canada Disability Benefit to tackle the deplorable levels of poverty among people with disabilities in Canada.

¹¹² With the exception of British Columbia, provincial and territorial governments did not enhance their own income security programs to assist low-income residents and focused largely on strengthening health care systems and community services. Much of the support for this programming was flowed from the federal government for specific services such as education, public health, the purchase of PPE, etc. Three territories and provinces are fully exempting the CERB from the calculation of social assistance payments for recipients with earned income, resulting in higher incomes for those who have lost employment. Six others are treating CERB as unearned income and reducing social assistance benefits dollar for dollar.

Practical and immediate solutions are available that could expand the reach and impact of Canada's income security system and strengthen the rules and regulations that underpin labour institutions and frame labour relations.¹¹³ These include:

- Reforming the Employment Insurance program by bringing in lower and uniform eligibility standards, making permanent a new higher income floor¹¹⁴ and introducing a higher replacement rate, setting a higher maximum benefit period, extending EI access to migrant workers who pay EI premiums, and creating a more agile delivery mechanism. In combination with enhanced supports for training and the Working While on Claim program, the Employment Insurance system could function more effectively as the automatic economic stabilizer that it is supposed to be for all workers.
- Increasing transfers to the provinces and territories for their social assistance programs under the Canada Social Transfer, contingent on meeting a set of national standards and obligations to uphold the rights and dignity of all in need.
- Creating new income programs for the childless working poor households (aged 18-64 years) and people with disabilities, the two groups that are most poorly served by Canada's existing income architecture.
- Improving the earnings and working conditions of those in the low-wage workforce by increasing the current federal minimum wage of \$15 per hour for workers under federal jurisdiction, following the guidance of an independent Low-wage Commission, granting full labour rights and protections to migrant workers, and bringing in robust pay equity and employment equity provisions to tackle longstanding segregation and disparities in the labour market, expanding the scope to application to all employers engaged with the federal government.
- It will be some time before the pandemic's grip on the economy—and society more broadly—loosens. It is certainly too early to be winding down temporary emergency measures and expanded job-protection rights. Timely income security and labour law reform is essential to reduce the devastating impact of the pandemic and to set a more inclusive course for recovery.

¹¹³ For a detailed discussion of these proposals and others, please see: Canadian Centre for Policy Alternative (2021), *Alternative Federal Budget, 2021* (forthcoming).

¹¹⁴ In sharp contrast, EI paid an average \$453 weekly before taxes (2018), with many people receiving much less than \$400. Through the pandemic, EI paid a flat \$500 weekly before taxes in line with benefits available under CERB/CRB. New claims as of September 25th will revert to the old benefit structure.

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Taking action towards a zero-carbon future

Governments at all levels have taken unprecedented action to respond to COVID-19 and that same level of ambition and speed must also be applied to the zero-carbon transition. Canada cannot afford to scale back investment or redirect political will from the vital project of phasing out fossil fuels and building inclusive, green communities. A national decarbonization strategy is needed that charts a course to a net zero-carbon economy, including a clear timeline for the regulatory phase-out of oil and gas production for fuel by 2040, and provides a framework for critical public investments to reach this goal.

Over the past six years, Canada's climate finance portfolio has been underwhelming and overly reliant on loans, which stands in stark contrast to the country's stated commitment to work toward a safer and a more sustainable world. Canada's updated climate action plan¹¹⁵ and new measures announced in Budget 2021 represent important progress in this regard, with a policy program focused squarely on meeting Canada's Paris pledge to reduce greenhouse gas (GHG) emissions to 30% below 2005 levels by 2030. The centrepiece of the plan is a commitment to ramp up the national carbon pricing floor while significant new funding for green infrastructure, renewable energy and electricity grid modernization, public transit, incentive programs targeting consumers, and just transition funding has been made available. In total, \$41 billion has been allocated over the next five to seven years.¹¹⁶

This plan represents a significant advance compared to past efforts, but the funding needed to achieve a net zero economy remains inadequate. By the government's own admission, the measures announced in Budget 2021 will, at best, reduce Canada's emissions by 36% from 2005 levels by 2030. The funding committed amounts to just \$5.1 billion per year—the equivalent of 0.25% of Canada's GDP. Given the existential threat posed by climate change, leading climate experts argue that Canada should be spending 1-2% of GDP—or \$20-40 billion per year—to aggressively decarbonize.¹¹⁷

Moreover, despite the federal government's efforts to reduce the use of fossil fuels domestically, it remains unwavering in its support of oil and gas for export through its program of subsidies and exemptions for large-scale emitters from Canada's carbon pricing program. These loopholes compromise the goal of net-zero

¹¹⁵ Government of Canada (2020), [Canada's Climate Plan](#).

¹¹⁶ Hadrian Mertins-Kirkwood and Clay Duncalfe (2021), [Budget 2021 falls short on transformational climate action](#), Canadian Centre for Policy Alternatives.

¹¹⁷ Seth Klein (2020), [Canada must adopt an emergency mindset to climate change](#), *Policy Options*, IRPP.

emissions by 2050. “A plan that relies on offsets, nature-based solutions and denial about the future of export markets is not a full plan—too much ‘net’ and not enough ‘zero’.”¹¹⁸

The government’s preferred approach of public-private partnerships and other incentives for the corporate sector to invest in climate-friendly infrastructure is not working. Canada needs decisive action to transition the fossil fuel industry and massive, direct public investment in emissions-reducing, job-creating infrastructure projects across the country.

Upholding Indigenous rights and self-determination

Canada has been repeatedly called out by the UN Human Rights Council¹¹⁹ and other agencies for its failure to address the glaring gap in living conditions and quality of life between Indigenous Peoples and the non-Indigenous population. Indigenous Peoples are three times more likely to live in housing that is in need of major repairs (a problem that is particularly acute for the Inuit population in the far north of Canada)¹²⁰ and more than 50 First Nations communities live without safe drinking water.¹²¹ Indigenous Peoples experience higher than average rates of incarceration¹²² as well as significantly higher rates of violent victimization.¹²³ The National Inquiry into Missing and Murdered Indigenous Women and Girls—established in response to repeated calls from Indigenous families, communities, and organizations—concluded that Canada’s colonialist federal, provincial, and municipal laws, policies, and practices had created an infrastructure of violence that led to the murder and disappearance of thousands of Indigenous women and girls, as well as grave human rights violations.¹²⁴

Redressing past wrongs and establishing equitable and just relations with First Nations, Métis, and Inuit people is fundamental to meaningful reconciliation set out in the *2015 Truth and Reconciliation*

¹¹⁸ CCPA National Office (2020), [New federal climate plan hindered by commitment to fossil fuel production](#), Canadian Centre for Policy Alternatives.

¹¹⁹ UN Human Rights Council (2018), [Report of the Working Group on the Universal Periodic Review: Canada](#), July 11, 2018.

¹²⁰ Statistics Canada, 2016 Census of Population. [Catalogue Number 98-400-X2016164](#).

¹²¹ Government of Canada, [Ending long term drinking water advisories: website](#).

¹²² Jamil Malakieh (2018), [Adult and youth correctional statistics in Canada, 2016/2017](#), Statistics Canada, *Juristat*, Catalogue no. 85-002-X.

¹²³ Jillian Boyce (2016), [Victimization of Aboriginal people in Canada, 2014](#). Statistics Canada, *Juristat*, Catalogue no. 85-002-X.

¹²⁴ National Inquiry into Missing and Murdered Indigenous Women and Girls (2019), [Reclaiming Power and Place: Final Report](#).

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Commission.¹²⁵ The discovery of hundreds, likely thousands, of unmarked graves on the sites of former residential schools in 2021 has brought home the gravity and urgency of the task. Federal investments in Indigenous programs over the past six years have begun to chip away at the issues, but a holistic and thorough response is required to facilitate the fulsome participation of Indigenous Peoples in the COVID-19 recovery and implementation of the *United Nations Declaration on the Rights of Indigenous Peoples*.¹²⁶

Funding for health and social services, education and employment, physical infrastructure, and support for core governance capacity is critical to addressing the deep roots of persistent poverty and marginalization. Immediate action is also needed, as noted, to implement a comprehensive, appropriately resourced National Action Plan to prevent and combat all forms of violence against First Nations, Inuit, and Métis women, girls, and Two-Spirit Peoples, to be developed and led by Indigenous women's organizations at all stages of the process.

Scaling fiscal capacity to the challenges ahead

The federal government marshalled one of the largest responses to the pandemic among high-income countries, with an increase in spending in 2020-21 of 75% over the previous fiscal year, taking on public debt to protect households and businesses from mass bankruptcy and deprivation while extending crucial support to other levels of government to respond to the crisis.¹²⁷ Canada must now step up to finance a just and sustainable recovery that will close the huge gaps in our social safety net, set the economy on an inclusive course, pursue reconciliation and justice relations with Indigenous Peoples, and deal with the existential threat of global warming—all challenges which will be more pressing in the wake of the pandemic.

This will require tackling the systematic erosion of government revenues over the past 30 years, which has been the direct result of successive rounds of tax cuts, poorly targeted subsidies and credits, and outright tax evasion, which left Canada wide open to the devastation of COVID-19. Low corporate tax rates have been sold as the best vehicle for stimulating productive investment and rising living standards. What's happened, instead, is increased corporate concentration, rising share prices and increased inequality.¹²⁸ Federal and

¹²⁵ Truth and Reconciliation Commission of Canada (2015), [Honouring the Truth and Reconciling the Future](#).

¹²⁶ Government of Canada (2021), [Backgrounder: United Nations Declaration on the Rights of Indigenous Peoples Act](#).

¹²⁷ Including the pandemic spending, the federal government's debt-to-GDP ratio now sits at roughly 50%. The household debt-to-GDP stands at more than twice that amount—112% of GDP. The corporate equivalent is at 130% of GDP. See David Macdonald (2021), [Record deficits? You mean record surpluses, for cheap](#), Canadian Centre for Policy Alternatives.

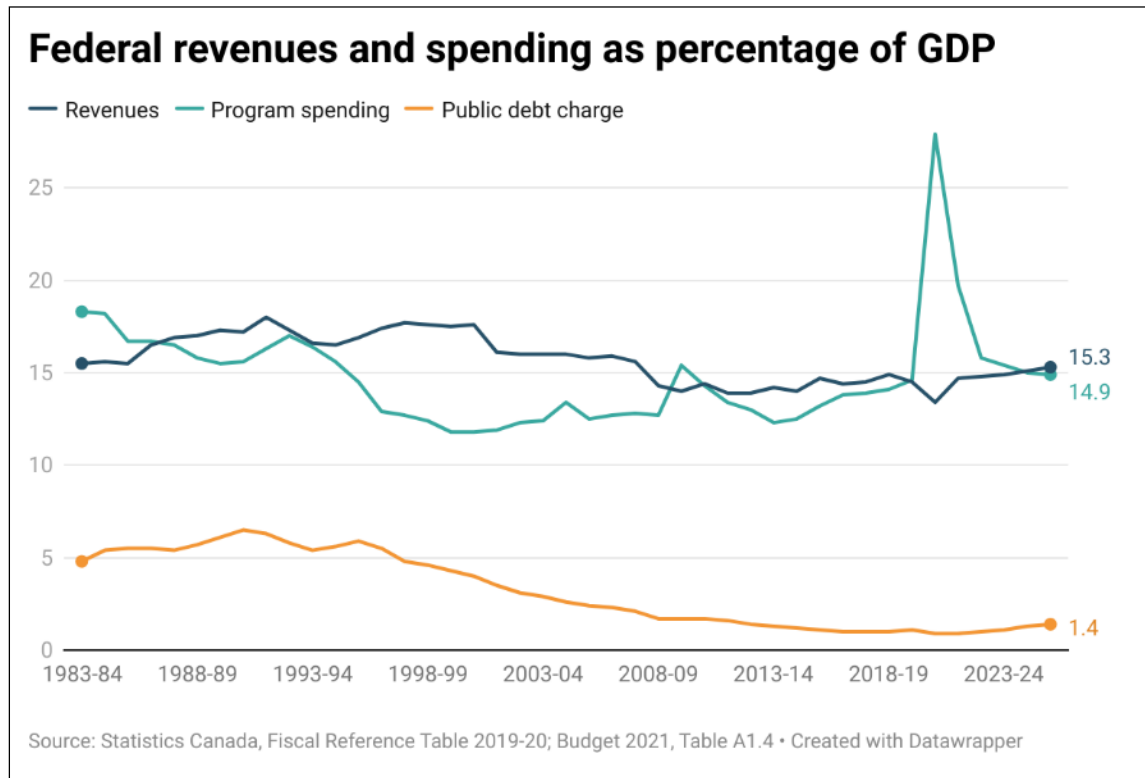
¹²⁸ Toby Sanger (2020), [Corporate Income Tax Freedom Day – January 7, 2020](#), Canadians for Tax Fairness.

provincial governments have cut taxes on the wealthy and corporations so much over the past few decades that, when all taxes are considered, the top 1% now pays a lower overall rate of tax than all other income groups, including the poorest 10%.¹²⁹

Yet Budget 2021 did not include a long-term plan for funding long-term progressive change. There were a few new revenue measures, such as a luxury tax on cars, boats and planes, but no significant moves. Indeed, the budget suggests that the government is planning to maintain tax revenues well below the historical average, as a share of the economy, hoping that economic growth will underwrite promised future investments to build back better. Government expenditures at all levels of government are also being quickly scaled back to pre-pandemic levels, despite the scale of the challenges ahead and historically low interest charges on public debt.¹³⁰ The prospect of post-pandemic austerity will only hasten the erosion of vital public supports and services, reducing the very resources that are necessary to position the country for a just and sustainable future.

¹²⁹ Marc Lee (2007), [Eroding Tax Fairness: Tax Incidence in Canada, 1999-2005](#), Canadian Centre for Policy Alternatives; Lars Osberg (2015), [How much income tax could Canada's top 1% pay?](#) Canadian Centre for Policy Alternatives.

¹³⁰ In July, the average interest rate on five- and 10-year bonds was 0.39%, compared to about 9%, or 20 times higher, in the 1990s. Statistics Canada, Table 10-10-0122-01, [Financial market statistics](#).



There is a lot of scope to turn the situation around.¹³¹ Closing expensive tax loopholes that mainly benefit Canada's wealthiest income earners, including the stock option deduction and preferential taxation of capital gains, would generate substantial revenues. U.S. President Joe Biden has announced that he plans to tax capital gains at the full rate for millionaires. Canada should *at least* follow suit. Likewise, an inheritance tax similar to the one in the U.S. and many other OECD countries could generate billions a year, depending on the design.¹³²

An excess profits tax, such as the one that Canada had during World War I and II, would be wholly appropriate for the large corporations that have been making massive profits as a result of the pandemic.¹³³ (Of 111 large Canadian corporations analyzed in a recent study, one-third have enjoyed record profits during the pandemic.¹³⁴) Similarly, a new global minimum international corporate tax rate of at least 25% would

¹³¹ Canadians for Tax Fairness (2021), [A Fair Tax Recovery Plan](#).

¹³² See: Alex Hemingway (2021), [Wealth tax would raise far more money than previously estimated](#), Canadian Centre for Policy Alternatives; also Toby Sanger and Erika Beauchesne (2020), [It's time to tax extreme wealth inequality](#), Canadians for Tax Fairness.

¹³³ Alex Hemingway (2020), [Excess profits tax needed to prevent profiteering amid COVID-19](#), Canadian Centre for Policy Alternatives.

¹³⁴ D.T. Cochrane (2020), [Corporations making record profits in the pandemic](#), Canadians for Tax Fairness.

generate about \$20 billion for federal and provincial governments and help to level the playing field between large multinationals and smaller firms.¹³⁵

Greater regulation of tax avoidance is also key to Canada's recovery. Canada currently loses an estimated \$15 billion in tax avoidance each year. Over \$300 billion dollars are parked in international tax havens. Imposing a 1% withholding tax on corporate assets held in known tax havens or putting a cap on interest payments to offshore subsidiaries would help to recoup these revenue losses.

Canada's price on carbon is an important, albeit modest, means for meeting Canada's medium-term greenhouse gas emission reduction targets and its international obligations under the Paris Agreement. But a higher carbon price floor than the one announced in Canada's new climate action plan is needed in order to reach our 2030 greenhouse gas emission target. Revenues generated through this charge—and the cancellation of fossil fuel industry subsidies¹³⁶—could be used to offset the impact of the higher tax on lower-income households and to support critical investments in renewable energy, energy efficiency, public transit, and transition measures for the most affected workers and their communities. Eliminating the preference for large emitters under the current scheme would generate even greater revenues.¹³⁷

Momentum is building among Canadians to reduce inequalities across the board by making the tax system more progressive and increasing revenues to support expanded public services.¹³⁸

Conclusion

A global pandemic is a sobering reminder that public priorities matter; that governments have an active role to play in ensuring the public's health and safety; that we need to act in social solidarity to invest in lasting changes that will make Canada more resilient, improve community well-being, ensure that inequality is reduced, support the most marginalized and disadvantaged, and improve the quality of life of all Canadians.

¹³⁵ Toby Sanger (2021), [Canada could gain \\$11 billion+ from Biden 21% minimum global tax plan](#), Canadians for Tax Fairness.

¹³⁶ International Institute for Sustainable Development (2020), [Canada's Fossil Fuel Subsidies in 2020](#).

¹³⁷ Parliamentary Budget Office (2020), [Reviewing the Fiscal and Distributional Analysis of the Federal Carbon Pricing System](#).

¹³⁸ A majority of Canadians believe wealth inequality should be tackled by increasing taxes on the wealthy and large corporations, according to an August 2021 opinion poll: 89% want to see a wealth tax of one per cent paid by the wealthiest Canadians as part of Canada's pandemic recovery, with 92% in support of closing tax loopholes and making it harder for corporations to strategically book profits in tax havens. Abacus Data (2021), [Canadian think their tax system is unfair.](#)"

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Now is the moment to address issues that have been neglected for more than a generation: poverty; declining infrastructure; the lack of potable water, decent housing and other infrastructure in Indigenous communities; and the immediate and urgent need to address the climate emergency. With a stronger, more equitable fiscal foundation, Canada will be in much better position to weather the fallout of the pandemic in the coming years and the economic, social and environmental challenges that will follow. Transformational investments in Canadian public services and infrastructure will lay the foundation for shared prosperity for generations to come. This is an ambitious, transformative agenda and it is within our reach.