

FORWARD TOGETHER

# A Good Jobs and Climate Action Budget

**Submitted to the Pre-Budget Consultations in Advance of the 2021 Budget**

**House of Commons Standing Committee on Finance (FINA)**



**Recommendation 1:** Budget 2021 should set out a plan, with clear targets, benchmarks and timetables, for achieving Canada’s greenhouse gas emissions targets, committing \$81 billion over 5 years to expand renewable energy, home and building retrofits, public transit, and Just Transition measures supporting workers and their families.

**Recommendation 2:** Budget 2021 should allocate \$2 billion in childcare expenditures beginning in 2021-22, and increase annual spending by \$2 billion each subsequent year until reaching one per cent of GDP in early learning and child care.

**Recommendation 3:** Budget 2021 should accelerate the implementation of National Pharmacare.

**Recommendation 4:** Budget 2021 should commit to implementing the recommendations of the Expert Panel on Modern Federal Labour Standards.

**Recommendation 5:** Budget 2021 should expand access to training and apprenticeship opportunities, for women as well as men, and groups with fewer opportunities including youth, lower-skilled workers, workers with disabilities, newcomers to Canada, and workers of colour.

## Introduction

The Canadian Labour Congress (CLC) believes that saving lives, protecting public health, and containing the coronavirus outbreak must remain the federal government's overriding priority. In the near term, this includes continued income support for individuals unable to work due to COVID-19, as well as proper personal protective equipment, workplace health and safety precautions, and training for workers.

As public health measures permit, fiscal policy measures responding to the recession and unemployment crisis will need to prioritize helping Canadians return to decent jobs. The economic crisis has disproportionately affected low-paid, vulnerable workers in precarious employment, especially women, young workers, newcomers, workers of colour, and workers with disabilities. Accordingly, the plan for economic recovery must be gendered, inclusive, inequality-reducing, and sustainable.

## Investing in Canada's Care Economy

### *A Care Economy Strategy*

Care work and care jobs have been critical in the pandemic, and remain vital to a broad-based recovery. Budget 2021 should establish the basis for a coordinated plan for strengthening Canada's care economy. In conjunction with provincial and territorial governments, the federal government should form a care economy commission to study, design and implement a care strategy for Canada.

### *Child Care*

Expanded multi-year investments in universal, affordable, inclusive and high-quality child care are essential to reversing gender inequity. The CLC recommends that the Government of Canada commit to increased annual investments until Canada reaches the international benchmark of one per cent of GDP in early learning and child care.

To reach this threshold, the government should allocate \$2 billion in childcare expenditures in 2021-22, increasing annually by \$2 billion a year thereafter (to \$4 billion in 2022-23, \$6 billion in 2023-24, and so on). One-fifth of these funds should continue to support implementation of the Indigenous Early Learning and Child Care Framework.

The government should create a National Child Care Secretariat to collaborate with provincial, territorial and Indigenous governments and communities to track financial allocations across the country and coordinate intergovernmental action, monitoring and evaluation. Federal monies must go toward a fully publicly-funded, publicly-managed childcare system, with clear expectations for improving accessibility, affordability, quality and inclusivity.

The CLC recommends the government put in place overarching legislation entrenching the right of all Canadian children to quality childcare, just as the *Canada Health Act* does for basic health care.

## ***Long-Term Care***

The federal government should work with provincial and territorial governments to eliminate private, for-profit interests from long-term care, bringing the sector into the public system, and regulating it under the *Canada Health Act*. It should implement high standards for long-term care work, mandating high staff-to-resident ratios in order to ensure quality care, and providing care-givers a full-time job with benefits like paid sick leave. The federal government should work to permanently raise long-term care wages to living-wage levels, in order to reflect the value of this work, and attract and retain care workers.

## ***Accelerated Implementation of National Pharmacare***

Because of COVID-19, workers with private drug coverage risk losing access to needed medications simply because they have lost their jobs. The government should immediately establish a national essential medicines formulary, which would cover most major conditions, and inform provincial and territorial governments that Ottawa will reimburse them for Canadians needing prescription drugs included in the essential medicines list. Additional prescription drugs would be added to the national formulary as prices and supply arrangements are negotiated with manufacturers.

## **Climate Action and Just Transition**

Budget 2021 must be a Climate Action budget. The CLC recommends that the federal government adopt a five-year plan setting out a bold plan with clear targets, benchmarks and timetables for accomplishing a systematic shift in Canada's energy system, its transportation networks, and housing and building stock.

Expanded public investments in renewable energy production, green building construction, and public transportation offer major opportunities for skills training and the large-scale creation of good jobs. Along with its partner organizations in the [Green Economy Network](#), the CLC calls for investments of \$81 billion over 5 years in order to develop renewable energy, home and building retrofits, and low-emissions public transportation in urban centres.

The CLC recommends that the federal government establish a Crown corporation mandated to overhaul and transform Canada's energy industry in collaboration with provinces and territories. It would identify renewable energy projects and ensure that existing and new manufacturing sources increase capacity to supply parts, equipment and new technology to meet Canada's renewable energy needs.

Through direct investment and procurement policy, the federal government should support continued conversion of idle plant for the manufacture of medically-necessary and green economy products and equipment. Consistent with this, it should invest in the [conversion](#) of the General Motors Oshawa facility to produce zero-emission vehicles to electrify the Canada Post fleet.

Budget 2021 must significantly expand investments in Just Transition measures to assist workers, their families and their communities affected by climate change policy to access training and employment services, relocation, childcare and housing assistance to adjust to new jobs, and support for older workers to transition to retirement.

Following the experience of the European Union, the federal, provincial and territorial governments should establish a guarantee that all young people under the age of 25 will receive a good-quality offer of employment, continued education, an apprenticeship or a traineeship within a period of four months of becoming unemployed or leaving formal education. This could include a focus on providing decent jobs in land remediation and restoration, climate adaptation, and energy efficiency. It should also include green skills training and learning opportunities through partnerships with public education and training providers, with an emphasis on women, marginalized, low-income and at-risk youth.

## **Housing**

Canada needs more affordable and public housing for low-income, homeless and precariously-housed populations, including Indigenous Canadians, survivors of domestic violence, and people living with disabilities. The federal government should accelerate and expand construction of high-efficiency, high-quality affordable housing across Canada. Programs are also needed to increase the supply of affordable rental housing, and those programs need to give priority to public, non-profit and co-operative housing. The federal government should also expand funding to support co-operative housing.

## **Good Jobs**

The federal government should implement the [recommendations](#) of the Expert Panel on Modern Federal Labour Standards, and act on its promised \$15 an hour federal minimum wage. Additionally, it should take steps to protect unionized workers' wages, benefits and bargaining rights from predatory contract-flipping. The government should also eliminate tied work permits that bind low-wage migrant workers to their employers, replacing them with open work permits and a path to permanent residency.

## **Employment Insurance**

Budget 2021 should set a timeline for a broad review of the EI program, with full public participation. Reforms to EI should include the following:

- Replacing EI's variable entrance requirement with a lowered, single national entrance threshold
- Increasing the duration of benefits to 50 weeks for all claimants
- Ending the disqualification of claimants who voluntarily leave employment without just cause or lose employment due to misconduct
- Preventing severance and vacation payments from reducing claimants' benefits

and entitlements

- Ensuring a minimum benefit through a new low-income supplement based on individual income, and increasing the replacement rate
- Increasing access to maternity and parental benefits and introducing a higher replacement rate following the Quebec Parental Insurance Program
- Permanently extending unemployment benefits to solo self-employed workers, freelancers, and gig workers.

The government should move forward with its commitment to extend EI sickness benefits to 26 weeks. The government should also introduce an amnesty for Canada Emergency Response Benefit recipients whose employers topped up their benefits with Supplemental Unemployment Benefit plan payments during the crisis.

## **Skills Training**

The government should prioritize broad access to vocational education, training and apprenticeship opportunities for women and men, and especially disadvantaged groups including youth, lower skilled workers, workers with disabilities, newcomers to Canada, and workers of colour.

Strong literacy and essential skills are the foundation for lifelong learning; the government should ensure core funding for literacy organizations, and invest in a new national workplace literacy program delivered in partnership with trade unions.

To enhance the ability of low-wage workers to upgrade and acquire portable skills, the new EI Training Support Benefit should be expanded from 4 weeks to a minimum of 16 weeks in order to allow for acquiring certifiable and transferable credentials. The replacement rate for the EI training support benefit should be set at 85% of average weekly earnings, rather than the proposed 55%.

## **Pensions and Retirement Security**

The CLC recommends that the government change the priority of claims in insolvency proceedings to protect pensioners and plan members, and collaborate with provinces and territories to create a national insurance scheme for pension plans, as Ontario and other jurisdictions have done. The federal government should also work with provincial pension regulators to develop stronger powers to monitor and restrict dividend payouts and share buybacks by companies sponsoring defined-benefit pension plans in deficit.

Lastly, the government should also improve the Old Age Security pension and/or improve the indexation so that OAS benefits do not continue to fall behind increases in the average real wage.

## A Program for Fair Taxation

As the recovery gathers pace, revenues that a fairer tax system provides will be needed to continue rebuilding. This means a plan to reverse the cuts made to income tax rates for large profitable corporations and wealthy individuals over the last 20 years. Similarly, the government should close loopholes that benefit mostly large corporations and the wealthy and crack down on tax avoidance by large corporations and the wealthy.

The federal government should further increase resources allocated to the Canada Revenue Agency to combat tax avoidance by corporations and wealthy individuals. The federal government should also implement a public registry of the beneficial owners of companies registered in Canada, to make it harder to use shell companies for dodging taxes and money laundering.

To generate additional revenue for the transition and combat growing inequalities, Budget 2021 should implement [a wealth tax](#), close regressive tax loopholes, restore corporate tax rates to 2010 levels, increase taxes on very high incomes, and eliminate tax subsidies to the oil and gas industry.

## Combatting Systemic Racism

Budget 2021 should commit to overhauling the *Employment Equity Act*, and require employers to disclose their gender, racial and disability wage gaps. In addition, the Government of Canada must coordinate and expand investments in anti-racism efforts. Budget 2021 should commit to implementing the [recommendations](#) of the United Nations Committee on the Elimination of Racial Discrimination with respect to its recent periodic reports on Canada. Canada should end the Canada-US Safe Third Country Agreement that puts refugee claimants' lives at risk. In addition, the CLC calls on the government to allocate an additional \$2 billion in 2020-21 to respond to the pandemic in the poorest countries. This should lay the groundwork for additional investments in international development, equivalent to doubling Official Development Assistance (ODA) over five years, as a key component of Canada's global engagement.

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