



*"Une compétence afro-canadienne au service des  
communautés africaines du Canada et du partenariat  
Canada-Afrique."*



## **Brief for the Pre-budget Consultations for the Next Federal Budget**

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Laval  
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## **Our recommendations**

- **Recommendation 1:** That the government, including the departments of Seniors and Finance, take strong measures to improve the well-being and health of seniors, in cooperation with the provinces.
- **Recommendation 2:** That the government, including the Department of Immigration, take appropriate measures to ensure the seasonal farm workers who enter Canada every year to perform valuable work on Canadian farms arrive and live in safe and decent conditions.
- **Recommendation 3:** That the government fund and establish clear objectives and measures to fight systemic racism, similar to the commitments Canadian financial institutions made in July 2020 as part of the BlackNorth Initiative to end anti-Black racism.
- **Recommendation 4:** That the government take strong measures to end police brutality against Indigenous and Black people in cooperation with the provinces and cities.
- **Recommendation 5:** That the government fund the creation of a **Canada Investment Fund for Africa (CIFA)**, with \$1 billion in capital, to improve capital availability and finance business and investment projects in Africa, including in the key areas of infrastructure and digital technology.
- **Recommendation 6:** That the government, through Global Affairs Canada, fund African diaspora organizations in Canada that aim to promote Canada-Africa business relations.
- **Recommendation 7:** That the government grant either a tax credit or a subsidy to workers who have chosen to telework in a substantial way in order to cover some of their Internet costs. The same should apply to students taking courses online.
- **Recommendation 8:** That the government encourage banks and financial institutions to extend their interest rate reductions on loans and credit cards through the end of 2021.

## **Background and Rationale**

In 2020, one event reshaped the Canadian economy: the COVID-19 pandemic. Its consequences will likely endure until 2022. The virus's sudden arrival surprised people and shook the foundations of economies around the world in an unprecedented way. The result was stoppages in the production and distribution of goods and services, and a halt to global, domestic, regional and local travel. Without a vaccine or effective treatment, prevention became the predominant strategy, taking the form of lockdowns and quarantines of varying degrees of severity.

To combat the virus, the entire planet took action: political and economic leaders, health professionals, researchers, members of the armed forces, farmers, shippers, artists and volunteers. While the virus had to be stopped and the sick cared for, people also had to be supported, preparations for crisis recovery made and the economy jumpstarted.

As a result, unprecedented efforts were set in motion: trillions of dollars in assistance packages, civilian and military hospitals, domestic and international shipments of masks of all kinds, medical research equipment and more.

In Canada, these actions limited the damage to individuals and businesses. Measures included the Canada Emergency Response Benefit (CERB), dramatic interest rate cuts, the closure of borders with the United States and others and various supports for business.

The Canadian government's prudent and realistic approach seems to have worked well and reassured both residents and the economy, compared with the "trial and error" approach other countries adopted, which produced mixed results.

Naturally, the result was a record deficit for Canada, currently totalling some \$350 billion.

The pandemic also revealed that seniors were vulnerable to the virus and social inequality made the disease worse for some, particularly racialized communities: Blacks, Indigenous people, people of Arab origin and seasonal workers from Latin American countries. These trends were documented in multiple articles on this topic.

Domestically, Canada experienced significant repercussions from the unrest in the United States that followed the tragic death of George Floyd, given the issues of systemic racism and social inequality faced by Black and Indigenous people, among others.

The Canadian government should follow the financial sector in having clear financial goals and legislative measures to combat systemic racism. For example, on July 20, IG Wealth Management, part of IGM Financial Inc., signed a commitment as part of the BlackNorth Initiative. This commitment not only furthers their common goal of ending

anti-Black systemic racism, but also requires taking measures to create a workplace in which everyone feels accepted, well-supported and able to realize their full potential.

This commitment involves the following specific measures:

1. Implement or expand unconscious bias and anti-racism education;
2. Create and share strategic inclusion and diversity plans with the board of directors;
3. Set hiring goals of at least 5% of the student workforce being from the Black community, and allocate at least 3% of corporate donations and sponsorships to promote investment and create economic opportunities in the Black community by 2025; and
4. Fill at least 3.5% of executive and board roles with Black leaders by 2025, that figure being equal to the proportion of Blacks in Canadian society.

Internationally, the pandemic once again highlighted Canada's overdependence on the American economy.

In addition, last winter, Canada made a major effort to campaign for a non-permanent seat on the United Nations Security Council. During this campaign and ever since the Right Honourable Prime Minister Justin Trudeau's tour of Africa in February 2020, the feeling between Africa and Canada has been one of long-lost friends reuniting, as the potential for cooperation is so great. Despite the failure to win the seat on the Security Council, Canada should continue its efforts to move politically, economically and commercially closer to Africa and capitalize on the growing and increasingly organized African diaspora in Canada.

Given the constraints imposed by COVID-19, Canada-Africa cooperation needs to be redefined to better meet the goals of both parties:

- **For Canada:** the need to diversify its markets and de-risk its investments;
- **For Africa:** the need for new forms of project financing, economic diversification and greater economic involvement by its diasporas. Indeed, the African Development Bank estimates that Africa's capital investment needs total \$700 billion annually.
- Canada should follow the model of Nordic countries such as Sweden or other European countries, or even the United States, by becoming much more involved in financing projects in Africa, well beyond the current efforts of Economic Development Canada and FinDev Canada.

Another outcome of the pandemic is the expanded use of telework and online education and training, which is increasing residential Internet costs.

Finally, in light of the current economic uncertainty and job losses, many Canadians are dealing with very high interest rates on their credit cards and other debts, even as Canadian interest rates are at rock bottom.

Given the above, we make the following recommendations:

- **Recommendation 1:** That the government, including the departments of Seniors and Finance, take strong measures to improve the well-being and health of seniors, in cooperation with the provinces.
- **Recommendation 2:** That the government, including the Department of Immigration, take appropriate measures to ensure the seasonal farm workers who enter Canada every year to perform valuable work on Canadian farms arrive and live in safe and decent conditions.
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