

Unifor Submission to the 2021 Federal Budget Consultation Process

**Building a Fair, Inclusive and
Resilient Economy Recovery**

August 2020

#BuildBackBetter

Tel/Tél: 416.497.4110
Toll-free/Sans frais: 1.800.268.5763



Summary of Recommendations:

Unifor recommends government invest in an economic stimulus package big enough and bold enough to prevent permanent economic damage and build racial and economic justice – economic recovery cannot be fully successful if we continue to leave people behind. It is imperative Canada not revert to the economy we had built prior to the pandemic. Racial and gender inequities were holding the country back in countless ways, but now we have the opportunity to build systems that create and sustain economic justice for all.

Unifor recommends that government:

- 1. Re-design Canada's income security system with a focus on income security and poverty elimination. At minimum, actions must include the following:**
 - a. Introduce permanent changes to the employment insurance system to increase eligibility, access and benefit levels;
 - b. Implement the Canada Housing Benefit across the Country;
 - c. Design an income security system that ensures no individual or family lives with an income under the new benchmark set by CERB, while adjusting for family size.
- 2. Grow the Economy through Green Jobs and Decarbonization:**
 - a. Support zero-emission electric vehicle (ZEV) manufacturing in Canada through a National Auto Strategy and build charging infrastructure;
 - b. Establish targeted industry support programs to ensure Canada continues to meet its energy needs, and a federal Just Transition fund for energy workers who will be displaced;
 - c. Expand the Public Transit Infrastructure Fund as part of a National Public Transit Strategy;
 - d. Reorient employment supports and develop a training system that supports green jobs.
- 3. Solidify Canada's ability to make and create things at home through industrial strategies to rebuild industrial capacity:**
 - a. Develop comprehensive industrial strategies to incubate and expand critical domestic manufacturing capacity and supply chain infrastructure including for auto, aerospace, shipbuilding, construction materials, pharmaceuticals and personal protective equipment.
 - b. Develop comprehensive strategies for the service and creative economy including telecommunications and media.
- 4. Include the caring economy in the definition of critical infrastructure, build the programs and services to support a 21st century economy with equity in service delivery and decent work:**
 - a. Build a pan-Canadian Universal child care system;
 - b. Implement a national, universal pharmacare plan;
 - c. End for-profit long-term care with proper funding for a robust non-profit system;
 - d. End drinking water advisories in Indigenous communities;
 - e. Dramatically enhance the affordable housing strategy and fund;
 - f. Ensure all people in Canada have access to internet services;
 - g. Invest in the national passenger rail system;
 - h. Undergird all infrastructure investments with decent work and environmental policies.
- 5. Rebuild Canada's fiscal capacity and take on additional debt:**
 - a. Enhance Canada's fiscal capacity through a number of tax changes including implementing a wealth tax, close tax loopholes, clamp down on tax havens and amend the Income Tax Act so that Canadian ad buys of American digital media are no longer tax deductible;
 - b. Continue borrowing money at record low interest rates, the cost of not investing in the programs and services listed above is too high to do nothing.

Who We Are

Unifor is Canada's largest private sector labour union representing some 315,000 workers nationwide in every major sector of the economy. Built by its members, Unifor represents people working in advanced manufacturing, natural resources, transportation, telecommunication, health care, retail, hospitality and many more. Unifor members have the highest interest in the success of their industries and the Canadian economy. On behalf of these members, their families and communities, Unifor welcomes the opportunity to share the organization's priorities for Budget 2021.

An Economic Stimulus Package to Secure the 21st Century Economic We Need

Canada's response to the coronavirus pandemic has led to the most severe economic crisis since the Great Depression. The federal government's fiscal and monetary response to the crisis is unprecedented and has arguably led to a far less severe downturn than would otherwise have been the case. In short, the response, though not perfect, was important. More must be done.

No one knows how long the effects of the economic downturn will drag on, nor do we know how deeply the effects will hurt Canada's workers and families. In order to prevent further decline and accelerate the country's economic recovery, Unifor is calling on government to invest in an economic stimulus package big enough and bold enough to build racial and economic justice while simultaneously putting people back to work safely.

The recommendations below are pulled from Unifor's own economic recovery plan entitled Unifor's Road Map for a Fair, Inclusive and Just Economic Recovery. The full document can be found at buildbackbetter.unifor.org/the_road_map.

The plan includes building an income security system that protects all workers and ensures people do not live in poverty. It includes rebuilding the economy through the lens of sustainability. The plan is designed to build an economy that is more self-reliant, strategic and that can make things right here in Canada and recognizes physical and social infrastructure as equally critical for 21st century workers. When direct industry investments and bailouts are needed, the plan requires that governments are unafraid to require strict conditions that ensure benefits flow to workers instead of to executives and shareholders.

Unifor recommends that Government:

1. Re-design Canada's income security system with a focus on income security and poverty elimination

Income security means that the basic needs of every individual in Canada are met at all times. That goal is not being met in Canada. Already before the pandemic nearly half of all workers were experiencing some form of precarity and insecurity. Through its response to this crisis, government has shown that ensuring income security and eliminating poverty are largely acts of political will, not the result of inadequate means. The Canada Emergency Response Benefit (CERB) was a direct response to the inadequacy of Employment Insurance (EI) and other measures to support millions of workers. The pandemic has exposed the fact that our social safety net was inadequate long before this crisis arrived.

To build income security that protects all workers Unifor recommends that government do the following:

- a. Introduce permanent changes to the Employment Insurance system to increase eligibility, access and benefit levels;
- b. Implement the Canada Housing Benefit across the Country;
- c. Design an income security system that ensures no individual or family lives with an income under the new benchmark set by CERB, while adjusting for family size.

2. Grow the Economy through Green Jobs and Decarbonization

The Canadian energy sector has been caught between plummeting demand for oil due to the pandemic—down to levels last seen a quarter of a century ago—and a glut of oil caused by the price war. In late March, the price of a barrel of Western Canadian Select crude oil cost less to purchase than to ship. In late April, continued supply pressures and a lack of storage saw global oil prices briefly dip into negative territory, which has never happened before in modern history. The industry has experienced some recovery from this low, but many of our members remain laid off and uncertain of the future they face.

In short, the industry has been decimated and workers are struggling – the government must come up with a plan. Now is the time to implement a targeted energy industry support program, supported by a Just Transition fund.

Canada needs massive, historic investment in clean technology, green infrastructure and associated job creation. Focus a permanent transit fund on emissions-free technology, invest heavily in zero-emission vehicle technology and production capacity for the auto sector and build the skills and abilities of oil sands workers to meet our future energy needs.

To grow the economy through green jobs and decarbonization the federal government must:

- a. Support zero-emission electric vehicle (ZEV) manufacturing in Canada through a National Auto Strategy and build charging infrastructure.
- b. Establish targeted industry support programs to ensure Canada continues to meet its energy needs, and a federal Just Transition fund for energy workers who will be displaced;
- c. Expand the Public Transit Infrastructure Fund as part of a National Public Transit Strategy;
- d. Reorient employment supports and develop a training system that supports green jobs.

3. Solidify Canada's ability to make and create things at home through industrial strategies to rebuild industrial capacity

As the pandemic took hold, workers and families were left without essential goods and services needed to protect their health and well-being including personal protective equipment (PPE), such as ventilators and facemasks, but also essential consumer goods like soaps, sanitizers, cleaning materials as well as growing concerns around food shortages and food security.

The ability to build and create in Canada matters. A renewed policy environment with a dual focus on incentivizing technological advancement and requiring job creation all along the supply chain is required. Engaging in industrial policy to rebuild Canada's industrial capacity will put the country in a more resilient and self-reliant position for the future. Unifor recommends that government:

- a. Develop comprehensive industrial strategies to incubate and expand critical domestic manufacturing capacity and supply chain infrastructure including for auto, aerospace, ship-building, construction materials, pharmaceuticals and personal protective equipment.
- b. Develop comprehensive strategies for the service and creative economy including telecommunications and media.

4. Expand the definition of critical infrastructure to include the caring economy and build the programs and services necessary to support a 21st century economy with equity in service delivery and decent work:

The 21st Century workforce relies on far more than roads and bridges in order to get to work and to ensure the goods and services they produce get to their customers. Child care has proven to be an important economic stabilizer that promotes gender equality and creates jobs – good ones if government focuses funding on higher wages and benefits. Without child care many parents, mostly women, are forced to stay home. Employers rely on healthy employees in order to keep their business operational and efficient. Workers need a universal pharmacare plan to ensure equal access to the treatments needed to recover and remain healthy during and after illness and disease.

It is long past time to end the drinking water advisories in Indigenous communities across the country. Government must expand its affordable housing strategies, and build and retrofit affordable housing for people who need it most. Requiring tools and equipment be sourced from Canadian suppliers will create more jobs in Canada too.

To expand and build critical infrastructure for the 21st century government must:

- a. Build a pan-Canadian Universal child care system;
- b. Implement a national, universal pharmacare plan;
- c. End for-profit long-term care with proper funding for a robust non-profit system;
- d. End drinking water advisories in Indigenous communities through infrastructure investments and decent work opportunities;
- e. Dramatically enhance the affordable housing strategy and fund;
- f. Ensure all people in Canada have access to internet services;
- g. Invest in the national passenger rail system;
- h. Undergird all infrastructure investments with decent work requirements and made in Canada principles.

5. Rebuild Canada's fiscal capacity and take on additional debt

Between increased borrowing and higher taxes on wealthy individuals and businesses, Canada has the fiscal capacity to build a fair, inclusive and resilient economy. Unifor supports the following:

- a. Enhance Canada's fiscal capacity through a number of tax changes including implementing a wealth tax, close tax loopholes, clamp down on tax havens and amend the Income Tax Act so that Canadian ad buys of American digital media are no longer tax deductible;
- b. Continue borrowing money at record low interest rates, the cost of not investing in the programs and services listed above is too high to do nothing.

Conclusion

The country is facing an important choice coming out of this crisis: continue down a path of inequality and greed or turn our collective effort towards addressing today's pressing challenges. Research from past recoveries shows strong government action to build programs and infrastructure is the fastest way to rebuild an economy after a crisis. By focusing on eliminating the crises that already existed, government can build a fair, inclusive and resilient economy that benefits all of Canada's workers.

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