September 3, 2021

**VIA EMAIL: JEDC.Minister@gov.bc.ca**

Honourable Ravi Kahlon  
Minister of Jobs, Economic Recovery and Innovation  
Room 301 Parliament Buildings  
Victoria, BC V8V 1X4

Dear Minister Kahlon,

**Re Engaging on a sustainable, innovative, and inclusive long-term economic plan for B.C.**

We greatly appreciate your ministry’s interest in hearing from BCGEU members during the development of a new, multi-year economic plan for British Columbia in the post-pandemic era. In addition to stakeholder engagement sessions held earlier this summer, our union is grateful for the opportunity to make a further submission in writing on behalf of our members.

The B.C. General Employees’ Union (BCGEU) represents more than 82,000 workers in various sectors and occupations in more than 550 bargaining units throughout British Columbia. Our diverse membership includes direct government employees who protect children and families, provide income assistance to vulnerable individuals, fight forest fires, protect the environment, manage our natural resources, deliver care to people with mental health issues and addictions, administer B.C.’s public system of liquor and cannabis control, including licensing and distribution, staff correctional facilities and the courts, and provide technical, administrative and clerical services.

Our membership also comprises workers throughout the broader public and private sectors where members provide clinical care and home support services for seniors, a diverse range of community social services, highway and bridge maintenance, post-secondary instruction and administration, as well as other non-governmental industries, including financial services, hospitality, retail and gaming.

BCGEU members have been among the most centrally involved essential workers in B.C. during the ongoing COVID-19 pandemic. They have helped deliver a wide range of critical health care services, public programs, social supports, and other essential retail services to the public. They have done so with courage and with a strong sense of public duty, dedication, and pride. They have also assumed additional risk in their work in order to deliver the very best to fellow British Columbians during a time of need.
Toward a new economic narrative

In the last 18 months our province—like most jurisdictions—has confronted what can only be described as a period of crisis; first and foremost with respect to a devastating global pandemic, but also a rapidly intensifying global climate emergency, as well as the increasingly observable consequences of serious social and economic inequality.

This has been an important moment for the role of government in our lives, leading many of us to think carefully about the things that we need and expect of the state, and to evaluate the full significance (and value) of the many contributions that are made publicly in a functioning economy—for example, through health care, education, transit, and public infrastructure.

As our union has argued on more than one occasion, the continuing experience of the pandemic offers numerous valuable lessons, among the most important being that government really and truly matters in society and the economy. In fact, we stress it is the public aspect that matters the most—the shared goals, spaces, programs, services and protections we provide, maintain and deliver publicly and in common that are so important and so evident in challenging times.

The pandemic has helped force an appreciation of this, but the lesson will soon be lost if we do not carefully adopt this thinking in more structured terms going forward. For this reason, we believe that a new economic plan for the province needs to dramatically shift the language, thinking and framing it uses in order to chart a better and more enduring course for working British Columbians in the years ahead.

Our union points out that it is not coincidental that this moment comes after years of sustained political and ideological attacks on the very legitimacy of government as a social actor, including deep disregard for the basic value, worth, and, in many cases, efficiency, of public goods and services.

It is in no way exaggerating to claim that the early stages of the pandemic were more devastating,¹ and the response made far more challenging, as a result of eroded services and state capacity in many parts of the world.² Likewise, it is not difficult to trace our increasingly urgent climate crisis, or the widening gap that separates wealth, opportunity and basic human dignity, to a set of choices made over privileging what is private and exclusive at the expense of what is justifiably public and universal.

And yet despite these regressions, when there was a need, many governments proved their ability to innovate both rapidly and effectively, coming up with new policies, programs and interventions needed to save lives, as well as millions of jobs and countless businesses throughout the economy.

We think this enormous task was made slightly less difficult in our own province, where a combination of renewed investments and greater political willingness since 2017 have allowed government to turn the tide on an extended period of public retrenchment.

Still, we know that B.C. could have been far better positioned.

We are glad that your government has signalled its intent to shape a different kind of economy, “one that is sustainable, inclusive, resilient and oriented around solving problems that matter to people and [the] planet.”

The BCGEU believes strongly that this task requires a different kind of plan in order to be credible and successful, and that this means:

1. Adopting language that prioritizes sources of public and social value in our economy, and that positions government and the public sector as essential economic actors and contributors;
2. Establishing clear and concrete distributive goals to define the way that economic rewards, gains and benefits are shared and arranged in a just society and economy;
3. Prioritizing strong action on climate change, environmental sustainability, and low carbon development;
4. Developing social, environmental and economic resilience across regions and communities;
5. Actively building equity and inclusion in the provincial job market for women, Indigenous and racialized workers, and persons with disabilities, and taking steps to strengthen systems that ensure basic economic security; and,
6. Supporting ongoing transition and recovery in sectors and communities that remain heavily impacted by the pandemic.

**Government as key creator, producer and partner: public and social value**

Our union has sometimes been called upon to explain and justify the important work of its members. This involves patience and understanding at times, but much of the effort is worthwhile—and we invite the public discussion. The larger challenge, however, lies not with a simple practical misunderstanding over what our members do, but confronting the view that only private and profit-oriented enterprises are capable of generating worthwhile production in the economy—and, by extension of that, worthwhile and legitimate employment.

We need to finally break with this highly limited and misleading account of how an economy works.

The BCGEU is encouraged that your government has engaged a team of expert advisors who openly challenge this narrow viewpoint, and who present a credible and compelling set of alternatives for how to picture our future. For the purposes of a multi-year strategic economic plan, we believe that the most important step is to explicitly state what this alternative framework is and to build consistently around it.

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We see and understand it roughly in the following terms:

Government and the public sector are in fact significant if not equal contributors to the economic value chain. They fulfil substantially more than just an enabling role for production and innovation, and are required to deliver substantially more than just a corrective to market failures. This statement of fact needs to be at the centre of a new economic plan for B.C., along with a very clear and encompassing discussion of what is meant by “value,” how it is measured, and ways that we can adjust our thinking in order to better account for differing sources of public and social value in the economy.

To be clear, we do not mean things that have an abstract or moral quality (although these matter, too), but rather tangible economic value—even if these are not readily captured and reflected accurately in our national accounts, namely through gross domestic product (GDP) and related metrics. These are goods and services, programs, and public investments the state provides (or should provide) which deliver an observable economic impact, and that are regularly harnessed as inputs by businesses and enterprises elsewhere in the economy.

This includes, for example, public investments in education (which yield skilled and productive workers, human capital, future innovators and entrepreneurs); health care and public health (which supports a healthy and resilient workforce, as well as healthy communities in which work, production, and exchange can take place); roads and infrastructure (which industry uses to transport and exchange both final and intermediate goods and services); law enforcement (to uphold a system of property rights, contract laws, and regulatory standards); affordable housing (to support healthy and productive households and families), child care (enabling more women to join a skilled and productive workforce, or to pursue education and training; and as a productive investment in future generations, yielding economic returns from early childhood education); public research (leading to innovations that are adopted by businesses and producers located further along the value chain, and that are factored across productive developments in all of the above areas); and there are many other examples.

The BCGEU and other public sector unions represent workers who are generating highly productive, value-added output throughout the economy in each of these fields, and on a permanent, daily, and full-time basis. These are productive outputs from the public sector and its workforce that carry obvious and extensive value, not just socially—for example, for workers, households, and communities—but economically, and, in many respects, financially and monetarily, too.

In this light government is clearly a major value creator in the economy, and a major direct contributor to value-added production more broadly; it goes well beyond an important, but ultimately supporting role as it tends to be portrayed in the typical free-market narrative. Our collective experience during the ongoing pandemic has offered fresh evidence of this, including concrete ways that direct government action—for example, extraordinary investment in public health services and infrastructure; publicly funded vaccine research and development; the design and delivery of financial aid programs that support and stimulate ongoing consumption, production, and investment—constitutes both a major and highly necessary engine in any economy.

But this is true not only during times of crisis, and we need to draw attention to that. We need to do a much better job of measuring and pricing this output in the economy, and at the same time
demonstrating publicly for voters and stakeholders where substantial additional value can be generated with the right public investments and initiatives.

The BCGEU believes strongly that a credible plan for a different kind of economy needs to lead by adopting this message in a highly visible and recognizable way. It should be a noticeable departure from the more common attention that is paid to “quality,” “responsive” or “accessible” public services—or, for that matter, language like “investing in the future,” or “good jobs” or “shared growth.” We take these basic standards as a given; anything less is either a missed opportunity or a failure of imagination.

What our members seek is vindication for the production and essential service they provide not just to society, but to the wider economy. Having firmly established a more ambitiously public frame of discussion for economic planning in the post-pandemic era, our union then recommends concerted action on value creation along the following frontiers:

- Quality, affordable, universal public child care
- Affordable non-market housing
- Climate action, green infrastructure and renewable energy development
- Seniors’ care
- Supportive social programs and services

Our proposals in each of these areas will be well known to your government through multiple submissions, publications and reports we have shared publicly in recent months and years. These include concrete actions and investments upon which a foundation can be laid for advancing the major paradigm shift described above.

Clear distributive goals: equality and fairness

The provided engagement materials, as well as the existing economic recovery plan, Stronger BC, acknowledge an assortment of social vulnerabilities and inequalities in the province. They also admit, for example, that prior to the pandemic, despite a thriving and diversified economy “[the] economic gains were not shared equally.” (Our union thinks that many British Columbians will agree.)

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We continue to appreciate this honesty, and, moreover, the willingness to acknowledge that the prevailing economic system, if left to itself, will no longer work for many or even most British Columbians. But workers are not entirely persuaded by vague and increasingly familiar language around things like living standards, affordability, and inclusion, or the idea that “quality [emphasis added] economic growth [can] open the door to reduced inequality and a fairer, more inclusive and prosperous society.”

Yes, there are methods for promoting growth and innovation that are more inclusive, and more likely to produce opportunities and benefits that are broadly shared. In fact, we have seen your government develop and adopt a range of such policies already in key targeted areas. While we expect new and promising measures to support these outcomes (note: the BCGEU has a variety of its own suggestions), we also expect that this will be insufficient to resolve the widening, crisis-level disparities and inequalities that have taken root in economies like ours.

If we are to begin closing these extreme gaps, a new economic plan for the province will have to include clear, concrete statements regarding the basic distributive goals and outcomes that we seek in a fair and just economy.

For example, how will we recognize equal gain and benefit when we see it? What is an acceptable amount of economic inequality in our province? What are the goals—and are they quantifiable? What tools will government use to achieve these outcomes?

These are questions that need to be answered if we are going to build a different kind of plan and a different kind of economy. It means saying that a good and vibrant economy—meaning also a healthy and well-functioning economy—does not result in anywhere near the level of inequality that we currently observe in our province—and, for that matter, nationally as well.

With that, a new economic plan should be a place where policymakers and government announce their readiness to implement a redistributive agenda, using tax policy to achieve a more just and substantially more equal society and economy. The exact details are not what matter at this time, but rather sending the clear signal that, with continued growth and prosperity, British Columbians

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8 In 2013, Ivanova and Klein presented useful options for how to structure these changes in the B.C. tax system, addressing both personal and corporate income tax rates. Some of these changes (or approximations of them) have been instituted since the BC NDP first formed government in 2017. However, numerous possibilities remain for establishing significantly greater progressivity in the provincial tax and transfer system. In this respect, the report continues to offer a useful starting place for discussions over tax fairness in our province, along with tangible reform options at are easily updated to fit with the current income, earnings and wealth distribution in B.C. For more detail, see: Iglika Ivanova and Seth Klein, “Progressive Tax Option for BC: Reform Ideas for Raising New Revenues and Enhancing Fairness,” Canadian Centre for Policy Alternatives (B.C Office), January 2013, [https://www.policyalternatives.ca/sites/default/files/uploads/publications/BC%20Office/2013/01/CCPA-BC-Tax-Options_0.pdf](https://www.policyalternatives.ca/sites/default/files/uploads/publications/BC%20Office/2013/01/CCPA-BC-Tax-Options_0.pdf)
can and should expect a major redesign of marginal income tax rates, as well as additional and more innovative measures for addressing harmful and unjustified accumulations of financial wealth.⁹

Tax fairness need not happen right away or all at once; but the moment is right for government to signal that this *will* happen, and that the rules of the game will be different. To eventually achieve that, we know that fairness and equality need to be viewed as more than just guiding principles, rather as measurable outputs and as basic conditions of success.

If we are encouraged to take the economy on a mission,¹⁰ then a more egalitarian system of benefits and rewards will be a critical destination.

**Courage on climate action and sustainability**

Transitioning to a greener economy is a high-value frontier for public investment, and it should stand out as a key element within any emerging economic plan for the post-pandemic era. This is an area with substantial opportunities across both the public and private sectors, and with significant prospects for innovation, diverse employment, and high-value returns.

Recently, our union has anchored many of its existing recommendations for economic recovery in exactly these terms,¹¹ calling for strong public leadership on climate action and innovation, but in a way that actively prioritizes a just and inclusive transition for workers. We would highlight this again here in the sense that it constitutes a vital source of public sector value creation for the economy (see discussion above).

However, quite separate from the economic justification, our province is reminded that aggressive action on climate change is not strictly a matter of value but basic survival. Most parts of B.C. have recently experienced extreme heat waves and related weather events that make climate change both an immediate social threat and a genuine crisis, and no longer just an impending one.

We could easily regard this as a clear matter of safety and security—which it is; but as economics is a field that deals also with systemic risk, decision-making, and fundamental trade-offs—in this case survival—it is appropriate that our global climate emergency takes a central place in the planning framework for any future economy.

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⁹ A central and growing concern for the BCGEU and its members is the ongoing housing affordability crisis in B.C. We identify this situation and its underlying causes as significantly more than just a practical constraint on affordability, but a major fault line for economic inequality. The BCGEU believes this can only be properly resolved through policies that target speculation and rent-seeking dynamics that are deeply embedded in the provincial real estate market—namely through a land value capture (LVC) tax. We have made this argument in numerous submissions to government, and our union continues to believe that harmful accumulations of wealth and financial capital in B.C. are generated and transferred primarily through real estate. For more information, see: BCGEU, “Building an Affordable B.C.: Taxing speculation and investing in our neighbourhoods to solve the housing affordability crisis,” 2017, [https://d3n8a8pro7vhmx.cloudfront.net/bcgeu/pages/8362/attachments/original/1536791619/housing-plan-FINAL-CUPE.pdf?1536791619](https://d3n8a8pro7vhmx.cloudfront.net/bcgeu/pages/8362/attachments/original/1536791619/housing-plan-FINAL-CUPE.pdf?1536791619)


We therefore urge development of a plan that: 1) prioritizes ambitious reductions of greenhouse gas emissions no matter what; and 2) promotes mission-oriented leadership to help drive our province toward a net-zero economy—one that is both profitable and inclusive for everyone.

Our union continues to share ideas on where many of these shifts can be made, including transportation, buildings and infrastructure, clean energy development, policy innovation, and environmental protection and restoration. We look forward to updating and expanding some of our more detailed and concrete recommendations through our upcoming pre-budget consultation submission to the Select Standing Committee on Finance and Government Services.

**Building resilience**

More than ever, our planning must incorporate strong and well-developed principles of resilience, tailoring this concept to fit across several connected areas.

Socially and environmentally, dimensions of resilience will include the basic ability of communities and regions to cope in the face of crisis—which, regrettably, we can expect more of. It also refers to adaptive and transformative capacity that can be built ahead of time within localized systems.

COVID-19 has clearly tested the resilience of our social systems as well as local capacity. Recently, so have extreme climate events: powerful heat waves this summer pressured emergency response services in urban areas, threatened local water supply, and endangered populations with devastating wildfire—not just in the province’s vast woodlands, but in several urban and semi-urban environments as well.

Building resilience to these threats is a matter of safety, security, and survival, and also a major determinant of future prosperity. At the most basic level, it depends substantially on the willingness to see investment in preparedness—for example, public health services and systems, world-class response capacity for wildfire, flood, and other disasters—as a priority and value-generating prospect rather than an afterthought.

Economically, planning for resilience means strategically nurturing sectors, industries, economic relationships, and jobs that can deal effectively with increasing risk and uncertainty, and, moreover, that demonstrate the ability to withstand or recover quickly from a shock, or that can avoid the shock altogether.

With the significant help of government and the public sector, our economy (to a great extent) just proved its capacity for this with the experience of the global pandemic. We also learned, of course, that as a society we will need to get even better at managing both crisis and unexpected disruptions on a grand scale, ensuring continuity across public services and programs, as well as supply chains, business networks, industries and critical employment sectors.

As government designs its new economic plan, it should be thinking carefully about the innovative programs and crucial public-administrative capacity just developed during the pandemic, and how

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12 For a more detailed discussion, see: Ibid., 10-11.
these assets can be preserved, adapted and/or repurposed in order to meet the next crisis even more effectively. This thinking should consider the various coordinating and communications-related functions that government can supply to help businesses cope with major policy and market disruptions, in turn helping to sustain (as smoothly as possible) continued employment and production.

**Strengthening economic inclusion and equity, and basic economic security**

An unfortunate but necessary lesson of the ongoing pandemic has been the seriousness of the social vulnerabilities that exist within the working economy, demonstrating that these are structured so heavily along gendered, racial, Indigenous, and other demographic lines.

Earlier we spoke of the need for major government interventions designed to correct imbalances in the distribution of income, wealth, and economic reward. Here we draw attention to various systemic and structural problems that contribute to these troubling outcomes, testifying most of all to the need for essential standards of equity and inclusion in the job market. Concretely, our province must address the outsized risk to low-wage workers, including women, Indigenous and racialized workers that was demonstrated by the sectoral disruptions caused by the pandemic.

By spring in 2020, it was already apparent that widespread disruptions caused by COVID-19 were being shouldered disproportionately by women.\(^4\) Since that time, however, a more focused and rigorous study has shown the full extent of the highly unequal impacts upon different groups of workers that have taken place in B.C.\(^5\) In particular, these findings show severe and disproportionate losses for low-wage workers, including racialized women especially, but also Indigenous workers, recent immigrants, young workers, racialized men, and, of course, women as a general cohort.

In effect, we are now seeing both the reality and the ruthless consequences of growing precarity in today’s workforce, along with the risks of increasing financial insecurity, which are concentrated among one and the same population. For these reasons, it is so important that a new economic plan gives a strong and visible focus to resolving structural inequalities in the job market and the workplace. These are conditions that produce (and reproduce) widespread vulnerability, exclusion, and inequity throughout the larger economy and across society.

Again, our union has shared proposals and concrete recommendations with government on many occasions. They include things like modernizing workplace rights and protections, providing better resources to agencies that enforce them, making it easier to unionize (particularly for those in precarious jobs), closing the gap between the minimum and living wages (and increasing overall

\(^{14}\) For example, in BCGEU’s submission to the Select Standing Committee on Finance and Government Services, we pointed out that a gendered breakdown of the provincial unemployment rate reached 12.4 per cent in May 2020 for women (seasonally adjusted), compared to just 10 per cent for men. In the same month (nationally), 18 per cent of women with children aged 18 or under worked less than half their usual hours, compared with 14.3 per cent for men. In addition, with gradual, and eventually, full reopening of the Canadian economy, evidence showed that job recovery rebounded much more slowly for women, at nearly half the rate observed for men during parts of 2020. See: BCGEU, “Budget Submission to the Select Standing Committee on Finance and Government Services – 2021-22,” June 2020, 8.

bargaining power for workers), providing paid sick leave, establishing pay equity legislation that covers gender and race, and eliminating exclusions from the rights and protections offered by the *Employment Standards Act.*

At the same time, to support actions that are directed at the labour market and the workplace, the BCGEU sees a similarly important need to reinforce our province’s commitment to basic standards of economic security—by shoring up essential elements of the social safety net.

Recently, the British Columbia Expert Panel on Basic Income issued an illuminating and highly comprehensive final report. Its main conclusion was that our system of existing programs and policies offers a solid foundation upon which further, incremental changes could be built to eliminate gaps and inconsistencies. Rather than instituting a universal basic income, the panel argues that with these improvements—and with continued investment in our core public services—we can move the province toward a more just and truly inclusive society: one that protects the basic economic dignity and security of residents and workers—both compassionately and efficiently.

Our union is in complete agreement with this view. We also think it is a testament to your government that the changes and improvements it has introduced over the past four years have led the Expert Panel to confidently recommend this approach.

From among the report’s 65 recommendations, including both short- and longer-term measures, we would emphasize the following:

- Increasing disability assistance benefits to above the poverty line
- Increasing temporary assistance benefits
- Providing housing support to all low-income renters
- Enhancing financial and support services for young adults, including a targeted basic income for former youth in care
- Enhancing financial and support services for people fleeing violence
- Addressing precarious employment through labour regulation reform

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• Improving the way that benefit delivery platforms function; for example, by indexing income assistance rates to changes in the poverty line, and by increasing income assistance staff resources

The BCGEU hopes that a new economic plan can signal a strong commitment to this work over the years ahead.

A continuing pathway for ongoing transition and recovery

Finally, while the purpose of this consultation is to shape a strategic vision for the post-pandemic economy, our union feels there is a strong need for planning measures that will continue to support ongoing transition and recovery in the most affected sectors.

In general, the economy and the job market have fared well in the face of an unprecedented shock. Still, some sectors and enterprises remain largely decimated, and there are significantly more businesses and employers and workers relying on subsidies and wage supports today than is publicly recognized or realized. Many would risk becoming unsustainable and insolvent once these programs and benefits are finally withdrawn. (For example, businesses and employers throughout the tourism, gaming, hospitality, and entertainment sectors remain heavily impacted and at substantial risk.)

We hope that an emerging plan will contemplate a somewhat longer-term role for these public financial supports in specific targeted sectors and subsectors, and that this can provide an opportunity for continued collaboration and coordination with federal authorities. Without additional planning as to how these enterprises and workers can be supported, then another wave of business closures and layoffs (even a relatively small one) could produce a stubborn drag on an otherwise recovered economy.

Conclusion

The COVID-19 pandemic, combined with the rising severity of climate impacts and worsening social and economic inequality, have contributed to one of the deepest and widest-ranging periods of crisis to hit this province since the Great Depression and World War II. Confronting these challenges and moving successfully beyond will depend on establishing a powerful and permanent role for government and public sector leadership, investment, and innovation. Our union knows that a new and ambitious economic plan will mark a major step toward ongoing recovery, future opportunity and prosperity, and also the symbolic commitment to a larger social project aimed at building a better, fairer British Columbia.

We are grateful for the opportunity to contribute to that process on behalf of our many members.

Sincerely,

Stephanie Smith
President