



Unifor's Road Map for a Fair, Inclusive and Resilient Economic Recovery

EXECUTIVE SUMMARY

THE PUBLIC HEALTH RESPONSE to the coronavirus pandemic has led to the most severe economic downturn in at least 60 years. Rebuilding the economy will take an equally unprecedented effort.

It is tempting to want to return to the status quo, and to think that a return to before would be a relief, but there were numerous crises raging before the pandemic took hold that will likely worsen if nothing is done. Income inequality, an inadequate social safety net and climate change are just three of the crises that must be addressed.

More than simply returning to what was, it is imperative that Canada redesign its economic programs, its social infrastructure and public services to build an inclusive, fairer and more resilient economy. Investing in workers' shared prosperity and economic justice for historically marginalized groups must be government's objective.

Government has proven it can act swiftly and nimbly in order to prevent economic ruin. This lesson must not be lost. Even with the steps government has taken to protect people and business from financial ruin in the first phase of this pandemic, much more will be needed in order to put the economy and Canada's workers on a trajectory towards health and prosperity.

Building an Income Security System that Protects All Workers

Income security means that the basic needs of every individual in Canada are met at all times but that goal is not being met. Through its response to this crisis, government has shown that income security and poverty reduction are largely acts of political will. Canada has the means to achieve income security for all. The Federal government took bold action to protect as many as possible from financial ruin. 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.

Unifor has seven recommendations to improve the income security system. They include: a minimum wage of at least \$15 and tied to 60% of the median hourly wage for full-time workers; stronger employment standards and labour legislation to provide stability for workers to ensure everyone is covered; permanent changes to the EI program to expand eligibility, access and benefits; facilitating more leisure time and work life balance in the lives of workers; rolling out the Canada Housing Benefit across the country; promoting retirement security; and designing an income security system, using the CERB as the new income floor, that ensures no individual or family lives with an income under this benchmark. This design would be reached through multi-stakeholder collaboration.

It's time to build back better and create an income security system that protects Canada's workers.

Building 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 a global price war. Just a few weeks into the COVID-19 crisis, pictures of environmental recovery began flooding social media suggesting that environmental restoration could be a silver lining in the crisis. This benefit has come at a terrible cost. The economic damage and toll on workers across the globe is incalculable. Workers have had a critical preview of what could happen if governments aren't prepared in advance. If Canada is to meet its climate change commitments, leaders must also put in place measures necessary to spark a virtuous cycle that benefits both the environment and workers.

Government must establish a targeted industry support program and Federal Just Transition fund; expand the Public Transit Infrastructure Fund as Part of a National Public Transit Strategy; support zero-emission electric vehicle (ZEV) manufacturing in Canada through a National Auto Strategy and build charging infrastructure; establish a funding mechanism for green retrofit projects; leverage Canada's strength in green and lightweight materials for greener infrastructure; develop a green jobs training program; institute a tripartite model for advisory groups and oversight bodies in relation to green transition and climate issues; and reorient employment support systems and accreditations towards green jobs.

No worker should experience economic collapse in the face of climate change either from climate events or the progression towards an environmentally sustainable world.

Rebuilding Canada's Critical Infrastructure

Critical infrastructure played an important role in the recovery from the great depression in the 1930s and can play an important role in the recovery from this economic crisis, too, if we dramatically expand the definition of critical infrastructure. Public transit, health care and child care play just as important a role in Canada's economy as roads and bridges. Building these systems can create thousands of good jobs while also providing vital services to workers and build the backbone of Canada's economy for the next hundred years.

Governments across Canada must choose policy options that will both alleviate short-term pain and ensure a strong recovery. These plans include bold investments in critical infrastructure to establish a strong foundational support system for Canada's workers, create good jobs, and position the country for stability and prosperity in a newly transformed economy. Government must build these plans and programs on principles of equity and inclusion to create high quality, stable employment for people with diverse needs and provide accessible quality public services for all.

Unifor recommends an immediate Pan-Canadian focus on a number of essential infrastructure projects to build the backbone of Canada's economy for the next 50 years. They include: universal pharmacare, affordable and universal child care, high quality and accessible long-term care, guaranteed internet access for everyone, affordable housing, federally-funded skills and training programs, an end to drinking water advisories in Indigenous communities and repaired and enhanced existing infrastructure.

Rebuilding Domestic Industrial Capacity

In the days after the pandemic hit, it quickly became clear that Canada was facing a goods and services shortage. Access to everything from personal protective equipment and essential consumer goods like soaps and hand sanitizers became a concern. Food security was a concern as well.

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As the lock downs continued and government response programs were implemented, another critical shortage became clear – client services and customer support. Many spent hours or even days trying to access help lines to get answers about Employment Insurance, CERB claims and other financial supports. This crisis has shown us that maintaining and promoting domestic industrial capacity is as much a public good as anything else.

Government must rebuild domestic industrial capacity by conducting a critical review of international trade and investment obligations; create comprehensive industrial strategies including in client services and customer support, auto, aerospace and forestry to start; implement measures to protect the supply chains for critical goods and services, especially the food supply chain; replant the seeds of industrial capacity in targeted growth sectors such as health care and biomedicine; reactivate vacant capacity; and expand the Industrial Technological Benefits program to commit to Canadian content in all public procurement projects.

Government officials have the opportunity and the moral obligation to create a more equitable, fair, resilient and sustainable economy.

Strong, Enforceable Conditions on Corporate Support Packages

Targeted corporate rescue packages played an important role in Canada's recovery from the 2008-09 recession. The United States and much of Europe also relied heavily on so-called 'bailout' measures, most notably in the hard-hit finance and banking sectors. Unfortunately, the corporate sector recovered far more quickly than the labour market overall. While shareholders and corporate executives recovered their lost value, workers and families experienced long bouts of unemployment, stagnant wages, precarious work and an insufficient income security system. This time the program must be improved.

Government must ensure any corporate support package is delivered through debt or equity instruments and that packages put limits on executive pay, dividends and share buybacks. Government must require an environmental sustainability plan, restrict wage reductions for non-executive workers and establish job protection guarantees to prevent layoffs due to restructuring and offshoring. Any capital investment enabled by government support must include Canadian content when equipment is purchased or capital investments are made. Support packages must include a union neutrality clause and prevent recipients from accessing employee pensions for short-term liquidity.

Workers must not be cut off from the benefits of the investments government will make in individual firms or entire industries. Workers must be seen as partners that will return numerous industries back to financial health. They deserve equal reward for their efforts.

It's Time to Build Back Better

The country is facing an important choice: continue down a path of inequality and greed or turn our collective effort toward addressing today's pressing challenges. As Canada moves toward economic recovery, it must be economic recovery for all, not just the wealthy few.

In rebuilding there is opportunity to build a better world, with less inequality, more income security, less precarious work and more stable, high-quality jobs; a world with fewer climate related disasters and more resurgence of the environment.

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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