

More federal leadership needed for a just COVID-19 recovery: think tank ^[1]

Experts propose full response plan, including key actions on child care and employment insurance reform

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EXCERPTS

OTTAWA—The federal government’s role as backstop during the COVID-19 pandemic doesn’t end with the first wave of reopening—Canada needs to step up with more investments to ensure a just, equitable and sustainable recovery, says the Canadian Centre for Policy Alternatives (CCPA) in the 25th year of its Alternative Federal Budget project.

Among the key issues in the Alternative Federal Budget (AFB) Recovery Plan requiring immediate action: implement universal public child care so people can get back to work, reform employment insurance, strengthen safeguards for public health, decarbonize the economy, and tackle the gender, racial, and income inequality that COVID-19 has further exposed.

One of the signature features of the AFB Recovery Plan focuses on helping families balance work and life responsibilities by implementing a two-phase Affordable Child Care for All Plan to support the safe and full recovery of regulated child care, which is key to reopening Canada’s economy. Phase one of that plan includes \$2.5 billion for early learning and child care in new federal transfers to the provinces/territories and Indigenous communities

“The harsh reality of the pandemic is that the economic slowdown is threatening to set women’s equality advances back by a generation,” said CCPA Senior Researcher Katherine Scott. “Without child care, many mothers won’t have the choice to take up employment again in the wake of COVID-19—and that’s a price no one should have to pay. Federal money committed to child care so far will be insufficient to adequately address the current crisis.”

Ongoing income supports are also critical to recover from the pandemic. The AFB Recovery Plan proposes a thoughtful transition from CERB in August to a modern employment insurance system. Doing so would improve access, raise benefit rates, reduce qualifying work hours to 300 hours over a two-year period, and extend benefits to 50 weeks across Canada. A feminist recovery must also continue to target financial support to those with caring obligations.

The AFB Recovery Plan also calls for improved federal fiscal capacity to weather the storm, through progressive tax reform and closing tax loopholes that benefit the ultra-wealthy. And since interest rates on federal debt are currently at historic lows, there is room for the government to do more.

“Bond holders want to lose money, after inflation, when loaning to the federal government. We should let them. Let’s lock these interest rates in now to fund things like green infrastructure, child care, long term care, and support for cities,” said CCPA Senior Economist David Macdonald.

“COVID-19 has opened the public eye to the capacity of the government to help regular people, not just the banks and corporate Canada, in times of crisis. We should be using the same approach to ensure that everyone—especially the most disadvantaged and marginalized—have the supports they need to recover.”

The AFB Recovery Plan also outlines concrete steps, with attached funding, necessary to address Indigenous reconciliation, and paves the way for improvements in health care, longterm care, racial justice, and poverty reduction.

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- [2] <https://www.policyalternatives.ca/newsroom/news-releases/more-federal-leadership-needed-just-covid-19-recovery-think-tank>
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