

A Climate Action Budget

**Submitted to the Pre-Budget
Consultations in Advance of the 2020 Federal Budget**

House of Commons' Standing Committee on Finance (FINA)

August 1, 2019



Recommendation 1: Budget 2020 must set out a bold plan, with clear targets, benchmarks and timetables, for achieving Canada's Paris commitments, committing \$81 billion over 5 years to expand renewable energy, home and building retrofits, public transit, and Just Transition measures to support workers and their families.

Recommendation 2: Budget 2020 must set out an integrated jobs strategy to systematically improve job quality in Canada.

Recommendation 3: Budget 2020 must commit to the recommendations and timelines set out by the Advisory Council on the Implementation of National Pharmacare.

Recommendation 4: Budget 2020 must outline a plan to ensure pension security and retirement income adequacy for Canadians.

Recommendation 5: Budget 2020 must commit to an inclusive Canada for everyone.

Introduction

The Canadian Labour Congress (CLC) is Canada's largest labour central, uniting over 50 national and international unions, 12 provincial and territorial federations of labour, and more than 100 local labour councils. On behalf of over 3 million workers employed in every region and sector in the country, the CLC welcomes the opportunity to provide recommendations on Budget 2020.

Climate Action and Just Transition

The Government of Canada is not meeting the urgent challenge of our time: global warming. Canada will [fail to meet](#) its 2020 greenhouse gas emissions targets, and is [not on track](#) to meet its 2030 targets. The failure to act seriously and urgently to undertake climate action while addressing unmet social and economic needs is sowing frustration, cynicism and despair among Canadians.

If Canada is going to meet its emissions targets and do its part in stopping runaway planetary heating, we cannot continue to kick the can down the road. We need an ambitious, urgent and feasible strategy appropriate to the climate crisis, putting working people and Indigenous communities at its core.

Budget 2020 must be a Climate Action budget, setting out a bold plan with clear targets, benchmarks and timetables for accomplishing a systematic shift in Canada's energy system, its transportation networks, and housing and building stock through sharply expanded public investments in renewable energy production, green building construction, and public transportation.

The CLC recommends that the federal government adopt a five-year plan of dramatically expanded public investments to support the transition to a low-carbon economy, presenting [major opportunities for the large-scale creation of good jobs](#) in the process. Along with its partner organizations in the [Green Economy Network](#), the CLC calls for investments of \$81 billion over 5 years in order to develop renewable energy, home and building retrofits, and low-emissions public transportation in urban centres.

The CLC recommends that the federal government establish a Crown corporation mandated to overhaul and transform Canada's energy industry in conjunction with provinces and territories. The corporation would collaborate with provincial and territorial governments to identify renewable energy projects and ensure that existing and new manufacturing sources increase capacity to supply parts, equipment and new technology to meet Canada's renewable energy needs.

To ensure the political support for this transformation, Budget 2020 must significantly expand investments in Just Transition measures to assist workers, their families and their communities affected by climate change policy to access training and employment

services, relocation, childcare and housing assistance to adjust to new jobs, and support for older workers to transition to retirement. To generate additional revenue for the transition and combat growing inequalities, Budget 2020 should close regressive tax loopholes, restore corporate tax rates to 2010 levels, increase taxes on very high incomes, and eliminate tax subsidies to the oil and gas industry, among [other progressive tax reform measures](#).

Budget 2020 must implement all of the outstanding recommendations from the Just Transition Task Force for Canadian Coal Power Workers and Communities. While Budget 2019 committed funding related to the Task Force's recommendations on supporting affected communities, there was no action with respect to supporting affected coal workers through the transition. Comprehensive Just Transition measures developed for coal industry workers should then form the basis for labour adjustment and income support programs assisting workers affected by automation, digitalization and artificial intelligence.

Good Jobs

Workers in Canada are rightly [concerned](#) about access to good quality jobs. As part of a Climate Action agenda, Budget 2020 must put decent work and quality jobs at the heart of its agenda. The best climate plan is also a good jobs plan. The 2018 International Labour Organization (ILO) paper [Greening with Jobs](#) demonstrates that meeting the Paris Agreement 2 degree Celsius cap on warming will result in net job creation in almost all regions and sectors. A commitment to [Just Transition](#) will help ensure that those jobs are both green and high quality in nature.

As a framework, Budget 2020 should follow the ILO's centenary [report](#) calling for a "Universal Labour Guarantee," consisting of an adequate living wage, limits on hours of work, a healthy and safe workplace, and fundamental workers' rights including freedom of association and access to collective bargaining.

To this end, the CLC recommends that Budget 2020 phase in a \$15 an hour initial federal minimum wage, providing a mechanism for routine increases in the minimum wage through indexation.

Budget 2020 should commit the government to consulting with unions and employers over reforming Part I of the *Canada Labour Code* to ensure access to collective bargaining for workers who want to form a union. This should include [measures to establish sectoral standards](#) as a mechanism to promote employee participation and access to collective bargaining.

Budget 2020 should implement a fair wages and hours of work policy requiring a living wage for employees working on federal contracts. The federal government should return to the 1995 thresholds of the Federal Contractors Program, strengthen

community benefit agreement requirements, and introduce mandatory apprenticeship ratios on federally-funded infrastructure projects.

The budget should protect unionized workers' wages, benefits and bargaining rights from predatory contract-flipping. The government should replace tied temporary work permits, that bind low-wage migrant workers to their employers, with open work permits and a path to permanent residency.

Budget 2020 should immediately improve access to Employment Insurance (EI) benefits by introducing a uniform national entrance requirement of 360 hours, and relaxing restrictions on what constitutes a valid job separation. The benefit rate needs to be improved from 55 percent to 60 percent, and the maximum number of weeks extended. EI sickness benefits should be expanded to a minimum of 26 weeks to match compassionate care leave, and improve the design for workers with episodic or long-term illnesses.

Budget 2020 should also reverse the 2012 decision to deny seasonal migrant workers access to EI parental benefits. It should address gender inequities by improving parental benefits along the lines of the Quebec system, including a lower entrance requirement and a higher replacement rate.

The government should prioritize broad access to training opportunities, for women as well as men, and groups with fewer opportunities including youth, lower skilled workers, workers with disabilities, newcomers to Canada, and workers of colour. Strong literacy and essential skills are the foundation for lifelong learning; the government should invest in a new national workplace literacy program delivered in partnership with trade unions. The federal government should also expand vocational education and training opportunities for youth, including in-work apprenticeships and on-the-job experience.

By restricting the Canada Training Credit to 50 percent of tuition fees and providing a meagre EI Training Support Benefit with a 600-hours eligibility requirement, the government has limited the ability of low-wage workers to upgrade and acquire portable skills. The new EI Training Support Benefit should be expanded from 4 weeks to a minimum of 16 weeks in order to allow for acquiring certifiable and transferable credentials. The replacement rate for the EI Training Support Benefit should be set at 85 percent of average weekly earnings, rather than the proposed 55 percent.

Budget 2020 should set out a plan for strengthening Canada's care economy and address the growing demands for care by launching a federal Task Force on Care Work and Care Jobs. The Task Force should examine paid and unpaid care work and develop a federal strategy to meet the increasing demands for care, reduce and redistribute women's unpaid care work by improving access to public care services, and create a labour market strategy for care jobs.

Expanded multi-year investments in universal, affordable, inclusive and high-quality

child care will be vital to achieving gender equity. The Government of Canada continues to budget a fraction of what is required to put in place high-quality public child care. The CLC recommends that the Government of Canada commit to increased annual investments until Canada reaches the international benchmark of one percent of GDP in early learning and child care. The budget's care economy strategy should also make multi-year investment commitments to health care, seniors and long-term care.

National Pharmacare

The government now has a robust set of [recommendations](#) from the Advisory Council on the Implementation of National Pharmacare (Hoskins Council). The CLC recommends that the federal government adopt the Hoskins Council recommendation that in collaboration and partnership with provincial and territorial governments, the government begin the implementation of national Pharmacare in 2020. In exchange for federal funding signaled in Budget 2020, provinces and territories will deliver Pharmacare in a manner that meets or exceeds agreed-upon national standards. Budget 2020 should allocate resources necessary to meet the timelines recommended in the report for offering universal coverage for a list of essential medicines by January 1, 2022, with a fully comprehensive formulary in place no later than January 1, 2027.

The budget should create a new Pharmacare transfer, separate from the Canada Health Transfer, with a multi-year commitment to long-term, adequate and predictable funding to provinces and territories to cover start-up costs for Pharmacare. The budget should also support program capacity-building among provincial and territorial governments that require assistance in delivering Pharmacare.

Pensions and Retirement Security

The government must do far more to protect pensions. The CLC recommends that the government change the priority of claims in insolvency proceedings to protect pensioners and plan members, and collaborate with provinces and territories to create a national insurance scheme for pension plans, as Ontario and other jurisdictions have done. The federal government should also work with provincial pension regulators to develop stronger powers to monitor dividend payouts and share buybacks by companies sponsoring pension plans in deficit. Finally, the government should improve the Old Age Security (OAS) pension and/or improve the indexation so that OAS benefits do not continue to fall behind average real wages. The federal government should facilitate access to defined-benefit and multi-employer pension plans, and review federal solvency funding requirements under the *Pension Benefits Standards Act* in order to preserve existing defined-benefit pension plans and multi-employer pension plans.

An Inclusive Canada

Budget 2020 must foster diversity and equity while combatting the racism, hate, and scapegoating of newcomers, and fearmongering promoted by right-wing extremists. It must target the economic, social and political inequality and insecurity fueling racism and xenophobia by investing in job quality and economic opportunities for disadvantaged, racialized and equity-seeking groups. Budget 2020 should commit to overhauling the *Employment Equity Act*, and require employers to disclose their gender, racial and disability wage gaps. Canada should end the Canada-US Safe Third Country Agreement that puts refugee claimants' lives at risk.

In addition, the Government of Canada must coordinate and expand investments in anti-racism efforts. Budget 2020 should commit to implementing the [recommendations](#) of the United Nations Committee on the Elimination of Racial Discrimination with respect to its recent periodic reports on Canada. Consistent with the recommendations of the CLC's report on [Islamophobia at Work](#), the Government of Canada should set out a plan for working with Muslim community associations, human rights bodies, trade unions, civil society organizations, and other stakeholders to develop a strategy to combat the growth of anti-Muslim hate groups, and online and social media dissemination of Islamophobia.

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