

Neither Too Hot, Nor Too Cold

Opportunities for Post-Pandemic Progress in Canada

By Don Guy

Introduction

Like many places around the world, politics in Canada this year has been driven by the ebb and flow of the pandemic and its impact on the economy. At the same time, Canada has been confronting race relations challenges, an ethics imbroglio, and ongoing trade and diplomatic tensions with China and the United States. As a border state of the United States, the presidential election has claimed an outsize share of media and political attention as well.

The pandemic is accelerating election calendars and rewarding incumbents—regardless of partisan stripe or ideological inclination. We expect that to be the case as long as the pandemic threat continues, for reasons outlined in this paper.

The Canadian political system

As a refresher, Canada is a federal state consisting of 10 provinces and three sparsely populated northern territories. At the federal level, the centre-left Liberal Party and centre-right Conservative Party have taken turns in office since the country's 1867 founding, with a social democratic party (NDP) on the left, a small Green Party, and a regional Quebec block interest party (Bloc Québécois).

It has long been my belief that the moderate, progressive politics of Canada at the federal level are a direct result of the existence of a viable progressive party in the middle that speaks to middle-class voters, those aspiring to join the middle class and those struggling to stay in it. That is Canada's secret sauce, politically.

The federal government is led by the Justin Trudeau Liberals, who hold a plurality of seats in the House of Commons. As the figure below illustrates, the Liberals maintain confidence in the House with support on specific measures of either the NDP or the Bloc Québécois (BQ). The BQ currently functions as a federal extension of the conservative nationalist provincial government in Quebec. In previous years, it has functioned as the federal extension of the social democratic nationalist provincial government.

The Official Opposition Conservatives recently elected a new leader in an at-large, partywide membership vote: Erin O’Toole, a veteran Ontario suburban member of Parliament and former Cabinet minister, air force navigator, and Proctor & Gamble corporate lawyer. O’Toole won the leadership in a multiballot one-member, one-vote contest with strong support from social conservatives and gun culture advocates. The federal Green Party also has named a new Leader, Annamie Paul, a Toronto lawyer and activist. She is the first Black Canadian and first Jewish woman to be elected leader of a major federal party in Canada.

The Conservatives start any federal election with a strong regional base in the western provinces, to which they must add exurban and suburban seats in the greater Vancouver and Toronto areas, and ideally seats in rural and southern Quebec and Atlantic Canada.

For the Liberals to hold power, they must put forward an idea of best plan to help voters and their families get ahead, which ensures that middle-class, centrist voters’ interests are advancing in some degree of equilibrium with other interests. In their last two elections, the Liberals have been successful pushing back against this with a message and policies that support the middle class, women, youth, and equity-seeking groups moving forward.

Canada in 2020

So where are Canadians as 2020 draws to a close, and what lessons can be drawn?

In our campaign work over the last three decades,¹ we have refined a survey question at Pollara Strategic Insights that we regard as the best predictor of vote: Who has the best plan for you and your family to get ahead? We have found that elections are essentially a contest of which party and leader can establish a frame, a message, and a set of considerations that provide a pathway to ownership of this question. The issues and attributes will vary according to times and circumstances, for example: a strong leader, someone on your side, health care, education, jobs and economy; however, the ideal metamessage has more often than not revolved around that question of who has the best plan for you and your family to get ahead. This question acknowledges that the balance of retrospective/prospective, socio-tropic/pocketbook and altruistic/self-interest in Canada tilts toward the right side of the trade-offs. Campaign commitments for the future are more important than track record in government. “What are you going to do for me?” is more important than “What will you do for others?” However, this does not mean that Canadian voters are generally selfish.

Most Canadian voters demonstrate significant empathy for people whose situation is different from their own. We continue to see widespread concern for societal issues and support for social measures as long as these centre-left and centre-right voters are (a) not feeling vulnerable themselves, and (b) feel that they are also part of the agenda.

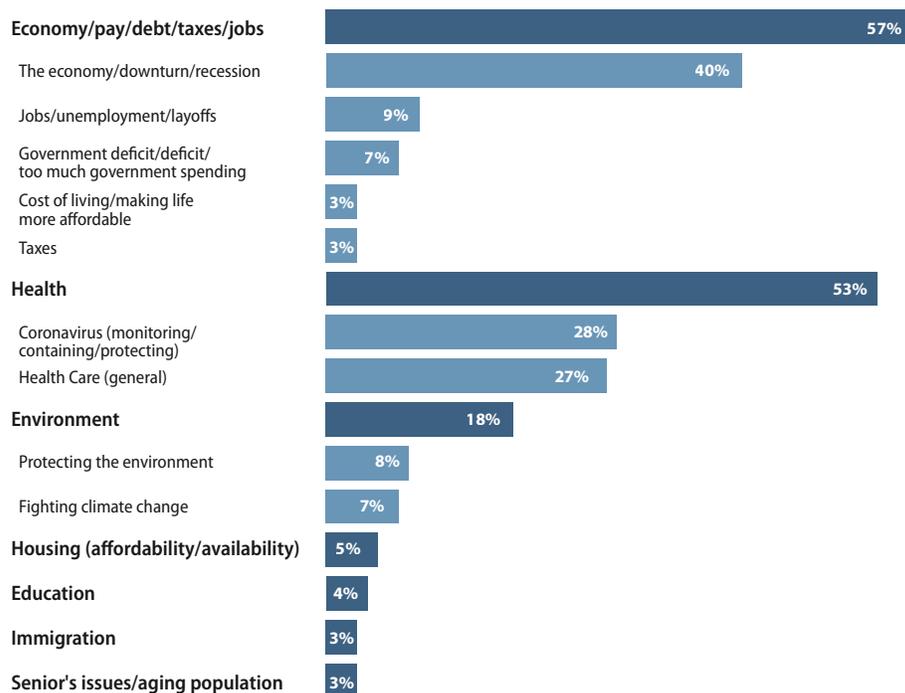
We have generally found that the best way to think about the centre-left and centre-right voters who make up the majority of the Canadian electorate, particularly the provincial electorates, are that they are homeowners who embrace a rising tide lifting all boats, as long as their own boats move up. There is an elasticity to the relationship between the tide lifting some boats and the tide lifting my boat, varying depending on circumstances.

It is not an accident that climate change and the environment didn't break through as a voting issue with a sizeable cohort of voters, most notably Millennials and Gen Z, until it was framed as a threat to human health. One of the reasons that we see less concern for catastrophic climate change among voters aged 65+ is that some perceive the timeline for major consequences as beyond their own anticipated life span.

For the past eight months, the most important issues Canadians have cited as top of mind in polls are overwhelmingly related to either the coronavirus or the economy.

FIGURE 1
For the past 8 months, the most important issues Canadians have cited in polls were overwhelmingly related to either the coronavirus or the economy

Share of Canadian respondents who believe the following issues are most important



Permission: Granted by Pollara Strategic Insights.
 Source: Pollara Strategic Insights, "Most Important Issue Facing Canada Today" (Toronto: 2020), available at <https://www.pollara.com/wp-content/uploads/2020/12/Fig1-IssuesFacingCanadaToday-scaled.jpg>.

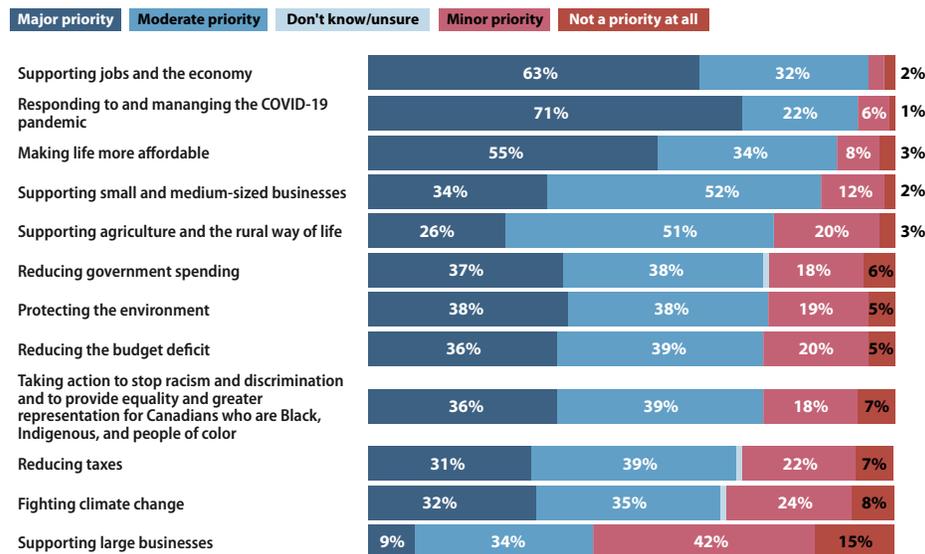
Majorities say that a priority for the federal Liberal government should be responding to and managing the COVID-19 pandemic, supporting jobs and the economy, and making life more affordable as major priorities, the only three issues that garner this level of priority.

FIGURE 2

Majority of Canadians say that the federal government should prioritize responding to the pandemic, supporting jobs and the economy, and making life more affordable

Share of Canadian respondents who believe the following policy areas should be short-term priorities for the federal government

Question: "Overall, how much of a priority should the federal Liberal government, led by Prime Minister Justin Trudeau, place on each of the following issues over the next one to two years." (Base N = 2,605)



Permission: Granted by Pollara Strategic Insights.
 Source: Pollara Strategic Insights, "Short-term priorities for the federal government" (Toronto: 2020), available at <https://www.pollara.com/wp-content/uploads/2020/12/fig2-ShorttermPriorities-scaled.jpg>.

The pandemic has led to a “bumping down” of the number of Canadians citing climate change as top of mind and aided questions about major priorities for federal government action. At present, the Canadian public want to hear about two things: how governments and other actors are responding to the pandemic to keep their family safe and how governments and other actors are responding to keep their incomes and jobs safe.

But we have seen no evidence of erosion of support for action on climate change, and we have seen evidence that climate change resiliency is the top priority of a majority of Canadians for stimulus infrastructure investment.

Politics at the provincial level are different from the 2+3 federal system, ranging from two party left-right systems to a nationalist/federalist divide in Quebec. The pattern in two-party left-right systems will be familiar to many readers. The conservatives are almost always seen as too close to business and the wealthy, while the left is almost always seen as too close to unions and the public sector. When

conservatives are in office, political change in these provinces happens generally when centrist, middle-class voters feel that business and the wealthy have been advancing their interests much more extensively than their own or those of working people. When the left is in power, political change tends to happen when centrist middle-class voters feel that the public and third sectors have been advancing their interests much more extensively than their own or those of small- and medium-sized business.

The pandemic, and the realignment of voters' issue priorities into two broad pandemic-related categories, threaten to upend these perceptions and considerations, as well as voter party preferences.

Perceptions of politics and economy amid COVID-19

Across the country, voters have rallied in about the same proportions, around conservative and progressive political leaders alike, with roughly two-thirds indicating favourable impressions across the board. So far in three provincial pandemic elections in Canada, incumbent social democratic (BC), moderate conservative (New Brunswick), and populist conservative (Saskatchewan) have all been returned with strengthened hands to carry out their program and deal with the pandemic. These provinces aren't outliers.

The shift to a softer tone in dealing with the pandemic emergency is working particularly well in the largest province of Ontario, where the federal Liberals and Ontario provincial Conservatives won roughly the same number of seats, and many of the same seats, in the battleground suburban/exurban seats in elections in 2018 (provincial) and federal (2019). In fact, in Ontario, Liberal Prime Minister Trudeau and Conservative Premier Doug Ford currently have almost equal favourability ratings (Trudeau at 59 percent favourable, Ford at 57 percent overall) and for their handling of the pandemic. These are both up substantially from pre-pandemic ratings. Ford had fallen into second or even third place in some polls last year.

Now, only 28 percent of Ontarians agree that Conservative Premier Doug Ford is doing a worse job than Prime Minister Trudeau, despite the fact that more than 9 in 10 public dollars invested in Ontario in fighting the pandemic have been spent by Trudeau's government. By the same token, only 27 percent of Ontario voters disagree that Doug Ford is a better premier than his Liberal predecessor in the office, Kathleen Wynne.

The degree of spending on fighting the pandemic does not seem to impact impressions of leadership or favourability ratings. The federal government is spending more than 9 in 10 dollars in fighting the pandemic nationwide and is projecting a deficit for this fiscal year of \$350 billion, up from \$26.6 billion in last year's budget.

Provincial conservative governments have claimed that they are constrained in their ability to respond by falling revenue and higher debt levels. But it hasn't made a difference in favourability ratings for their premiers. Instead, it appears that all levels of government are benefiting from the federal pandemic spending. Voters are not differentiating, at least in the short term. The one exception is the province of Alberta, where conservative Premier Jason Kenney, elected just two years ago with 55 percent of the vote, has seen personal approval numbers decline precipitously, dragging down voting intentions for his party, in response to his continued pursuit of an aggressive financial retrenchment.

Pocketbook pandemic perceptions as a driver toward incumbency?

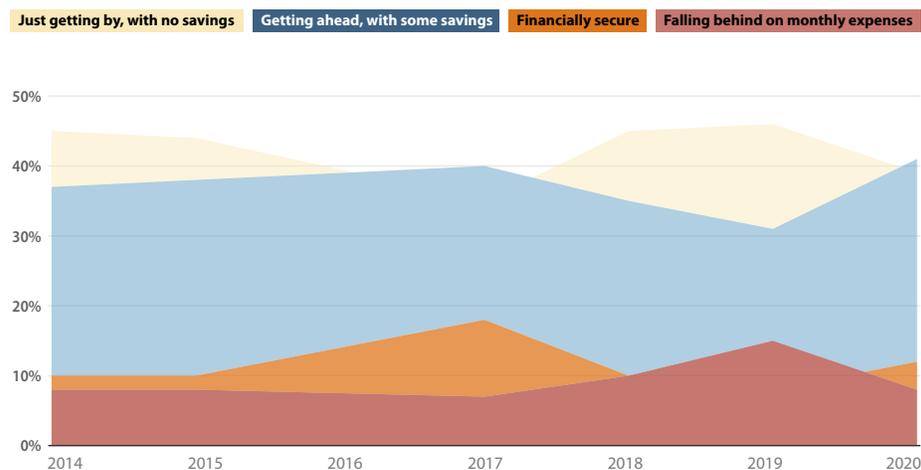
For the past five years, Pollara Strategic Insights has been running an annual national survey, "In Search of the Middle Class," and this year's results came out of the field as coronavirus cases started to rise again at the end of August.

Changes some Canadians made to their personal financial behaviour (such as reining in lifestyle and debt and increasing the savings rate) as well as the unprecedented income support that the Trudeau Liberals have extended to Canadians—the Canada Emergency Response Benefit (CERB) for workers who lose their jobs, the Canada Emergency Wage Supplement (CEWS) for employers to keep workers on the job, and other supports—have actually lifted the overall and average sense of economic security and outlook of Canadians compared with previous years.

FIGURE 3
The percentage of those who worry about their cost of living and personal financial situation has increased during the pandemic

Canadians' perception of their social and financial place

Question: "Thinking about the cost of living and your personal financial situation, are you currently ..." (N = 1,002)



Permission: Granted by Pollara Strategic Insights.
 Source: Pollara Strategic Insights, "Perception of Social & Financial Place Trending Up" (Toronto: 2020), available at <https://www.pollara.com/wp-content/uploads/2020/12/fig3-PerceptionoffinancialTrend-scaled.jpg>.

More Canadians are feeling financially secure or feel they are getting ahead with savings. Fewer say they are falling behind on their monthly expenses or are just getting by with no savings. Indeed, compared with 2019, fewer Canadians feel that their financial situation and quality of life have declined and that they are having trouble making ends meet.² A slight majority of Canadians continue to feel their income has not kept pace with their cost of living, although fewer are feeling this way since 2018. And one-quarter still feel that their household lives beyond their means.³

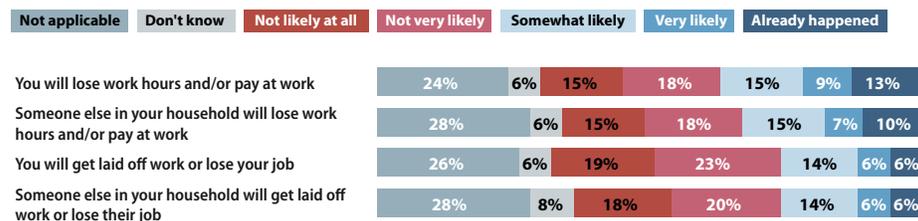
Most, though fewer, Canadians continue to express high levels of anxiety about the future. Six in 10 are worried about having enough savings for retirement, though fewer are worried in 2020 compared with the previous years. Likewise, in comparison to 2019, fewer say that their household would run out of money in one month if they lost all income, or two months for that matter.

The COVID-19 pandemic, however, has caused obviously increased level of job and income instability for some compared with 2019. Since the outbreak, 1 in 10 have either themselves or had a family member lose work hours or pay. Two in 10 Canadians feel it is likely that they or someone in their household will yet lose work hours or pay or get laid off due to the impact of COVID-19.

FIGURE 4
Canadians are worried about the economic impact of COVID-19

Share of respondents who believe it is likely that they or someone in their household will lose work hours and/or pay or will get laid off due to the impact of COVID-19

Question: "How likely is it that you may experience the following due to COVID-19 and its impact?" (N = 1,002)



Permission: Granted by Pollara Strategic Insights.

Source: Pollara Strategic Insights, "Two-in-ten feel it is likely that they or someone in their household will lose work hours/pay or will get laid off due to the impact of COVID-19" (Toronto: 2020), available at <https://www.pollara.com/wp-content/uploads/2020/12/Fig4-HouseholdFuture-scaled.jpg>.

Half say their personal financial situation and quality of life have declined since the outbreak. One-quarter say their household now carries a new or more debt because of the pandemic.

Most troubling, among those who feel their financial situation has worsened, just 1 in 10 expect it to return to pre-COVID-19 levels or better in less than a year. Most feel it will take more than a year to up to 4 years, while one-tenth don't expect their financial situation to ever fully recover. Millennials are most optimistic about bouncing back, while baby boomers ages 55+ are least optimistic, with fewer years and fewer opportunities to replenish savings.

As the figure above on government priorities indicates, there is some concern on the right about government spending—37 percent say that reducing government spending is a major priority, and 31 percent say reducing taxes is a major priority. For the federal Liberal government and their provincial progressive cousins, these numbers suggest that fiscal responsibility can be parked for stimulative spending for the time being, but almost all Canadians, including progressive-inclined voters, will want to hear a plan for reining in deficit spending at some point.

Given a choice of strategies for reducing the deficit, one-third of Canadians like the idea of a stimulative tax cut to grow the economy and government revenues, one-quarter choose reducing government spending by cutting and reducing government services, while just 8 percent like the idea of increasing taxes to increase government revenues. If tax increases are required, voters express clear preferences toward raising taxes on the wealthy and sin tax increases.

The key insight inferred from these findings is that voters, including moderates and progressives, want strategies and policies from government to fix the financial problems voters are facing before government fixes their own fiscal problems with tax increases. They want government to take responsibility for fixing their own fiscal problems. They want governments to have a plan. But it will take a rising tide again before voters will have an appetite for broad-based tax increases, which may not come until the pandemic is well behind us and full employment is within reach.⁴

Race relations

The killing of George Floyd in the United States, a widely seen video of an Indigenous elder being beaten by police, and other incidents have ignited long-overdue attention to the plight of racialized Canadians. These incidents, and the public outcry resulting, have forced Canadians to confront the question of systemic racism squarely.

Some 72 percent of Canadians believe that in Canada, visible minorities and Indigenous peoples are excluded, treated unfairly, discriminated against, bullied, or assaulted because of their difference. On the other hand, 31 percent of Canadians believe that whites and 29 percent of Canadians believe Christians face the same treatment. Majorities also agree that governments should help level the playing field for those with less advantages than others and that Canada needs to do more to try to achieve equality for people from marginalized and minority populations. Fully 80 percent of Canadians say that systemic racism is a problem in Canada, though perceptions of the depth of the problem vary widely (20 percent reported major, 28 percent moderate, 31 percent minor). This represents significant advancement in awareness among Canadians. Just 11 percent say that systemic racism does not exist in Canada.

FIGURE 5

The majority of Canadians feel that racism is a problem in their country

Share of respondents who think systemic racism is a problem in Canada

Question: "Systemic racism is a form of racism, either based on 'race,' ethnicity, skin color, or visible minority appearance that is embedded as a normal practice within a society, institution, or organization. Do you believe that systemic racism is a problem in Canada?" (N = 1,005)



Permission: Granted by Pollara Strategic Insights.

Source: Pollara Strategic Insights, "Expressions of Systemic Racism in Canada?" (Toronto: 2020), available at <https://www.pollara.com/wp-content/uploads/2020/12/fig6-SystemicRacism-Where-scaled.jpg>.

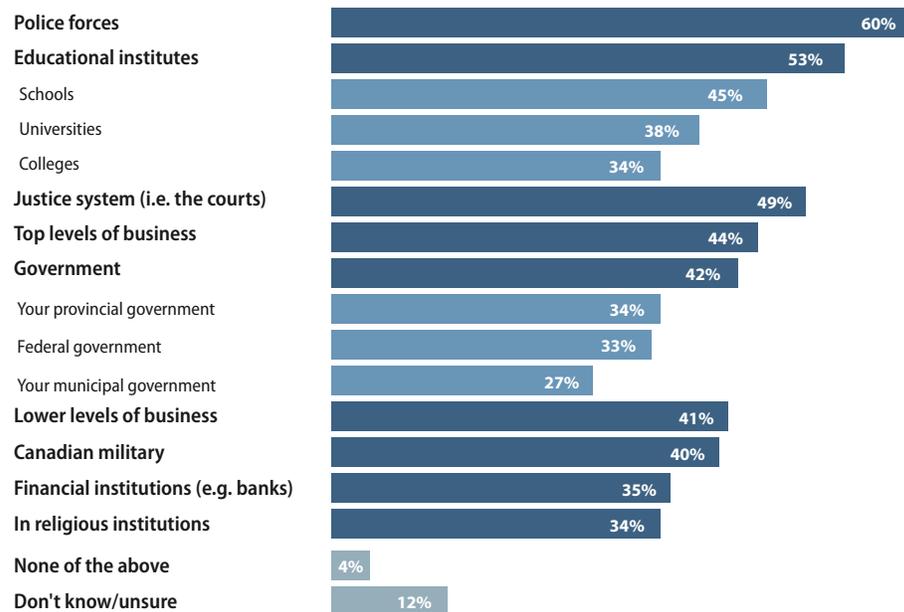
The plight of Canada's Indigenous people has also been brought into relief again by recent events. A majority of respondents agree that Canadians should be ashamed of how our Indigenous peoples have been treated, but pluralities also believe that some accomplishments have been made toward addressing the challenges facing Indigenous peoples in Canada. Of those who acknowledge the existence of systemic racism in Canada, most are most likely to say that it exists among the police, followed by the education system and the courts.

FIGURE 6

Those who acknowledge systemic racism in Canada believe that it is most likely to be expressed among the police, the education system, and the courts

Institutions where respondents believe that expressions of systemic racism are most likely to occur in Canada

Question: "Where do you believe systemic racism exists in Canada?"



Permission: Granted by Pollara Strategic Insights.

Source: Pollara Strategic Insights, "Expressions of Systemic Racism in Canada?" (Toronto: 2020), available at <https://www.pollara.com/wp-content/uploads/2020/12/fig6-SystemicRacism-Where-scaled.jpg>.

Underneath that top-line sentiment, the progressive policy agenda in confronting and overcoming systemic and specific racism faces a complex landscape in Canada. For example, the defund the police movement has been active in many parts of Canada in response to these incidents. The defund movement has had some success in raising awareness but has had little success in raising public support. Canadians are overwhelmingly opposed to the defund movement broadly, or even more modest goals like a 10 percent reduction in police budgets, because for most Canadians, including most Canadians of colour, the defunding proposals make them feel less safe.

A further complication is that a majority of Canadians have latched on to COVID-19 as a reason to express a preference that Canada should reduce or stop immigration, arguing that immigration levels should not increase until the pandemic threat is reduced or until the economy has recovered. The federal government has announced an ambitious immigration plan, in part to offset shortfalls in this pandemic in 2020.

There will be a temptation among some progressives to decry opposition to expanded immigration as racist. For most Canadians, who acknowledge above the challenges of systemic racism, this will ring hollow. The government is doing the right thing, but it will need to go an extra mile or more communicating the pandemic safeguards that are in place, and the economic benefits of increased immigration at this time of high unemployment and in the future. Progressive allies will need to do the same.

The calls for racial justice for existing Canadians demand an answer from progressives in government and those hoping to form government. That demand is urgent, and the effort will need to be sustained. Most voters acknowledge systemic racism and the need for action. On issues like police reform, voters want action to treat racialized and marginalized citizens safely, fairly, and appropriately to their needs, without reducing how safe they feel themselves. That's where an effective political agenda should be focused.

Another important issue for progressives in Canada will be responding to the fallout of the WE imbroglio. Over the summer, revelations surfaced that a charitable organization (WE) that had been awarded a contract to administer and recruit participants for a Canada Student Service Grant program employed then-Finance Minister Bill Morneau's daughter. It was further revealed that the finance minister and his family had gone on an international trip with the charity and had inadvertently not paid WE back for the expenses.⁵ Prime Minister Trudeau's mother, a professional advocate and public speaker, had also accepted speaking fees from the charity for various events.

Pollara's polling indicated that the issue had trouble breaking through a very crowded news environment of the pandemic, economic fallout, and racial justice. Understanding of the issue was divided along partisan lines, which was key to the Trudeau government's ability to right itself. The Liberals also appointed a new finance minister, Chrystia Freeland. Her appointment as Canada's first female federal finance minister was widely saluted, particularly by the female professional class and opinion leaders that make up a large proportion of the Liberal voting universe. In response to the WE imbroglio, the Liberals were transparent, reasonable, cooperative, and undeterred from their duty. Both those strategies have served them in good stead. They didn't get distracted. They kept governing. They kept tweaking existing pandemic supports and developing new ones, procuring personal protective equipment (PPE) and vaccines. They kept their eye on the ball, and that is a lesson all of us could use.

The future progressive agenda

The federal government's speech from the throne on September 23, 2020, is a good guide for the state of public opinion among the progressive parties and their voter universes.⁶ The summer preceding the speech was riddled with speculation about the potentially ambitious nature of a new Trudeau agenda to "build back better." In the end, the resurgence of COVID-19 caseloads led to a shelving of any kind of "turn the corner" talk beyond a signaling of how, when the time comes, the government will be choosing priorities for a "build back better" agenda for a greener, fairer economy and society.

Instead, given rising COVID-19 count projections, the speech provided a road map for how the Trudeau Liberals would combat the pandemic going forward and support people economically, including a strong reference to bringing feminist, intersectional understanding and values to these questions, as well as other rising and pressing concerns. Tactically, the throne speech provided an opportunity for the minority government to get a renewed vote of confidence behind it that can sustain it until next year's budget vote. In particular, the speech draws the kind of middle-of-the-road route between fiscal constraint and expansionary government spending referenced earlier.

The key elements of Trudeau's plan include individual support and economic support, with a campaign to create more than 1 million jobs and transition to better employment insurance and extend wage subsidies. The plan also includes a focus on women, with an Action Plan for Women in the Economy to help bring women back to the workforce with feminist, intersectional approaches to the pandemic. Other policies referenced include increased taxation to address extreme wealth

inequality, increased investments to rapid housing and incentivizing first-time home buyers. Finally, the plan addresses climate by supporting efforts to meet a net-zero future and creating clean jobs and a pledge to fight climate change in part by planting 2 billion trees.

The Conservatives announced immediately that they would vote against the government's plan as it does not contain enough about western alienation and supports for the oil and gas sector. Prior to the throne speech, NDP Leader Jagmeet Singh planted his flag on single-payer national pharmacare. Universal pharmacare enjoys wide support among supporters in the 70 percent range, but single payer has very little support outside hardcore progressives (less than 25 percent). The throne speech reiterated a commitment to national pharmacare but stopped short of single payer.

After a short negotiation, the NDP announced that they would vote for it in exchange for confirmation of enriched sick leave benefits for workers, which also enjoy wide support. NDP Leader Jagmeet Singh hinted that his party could continue to support the government for the full life of the Parliament (another three years) if they could keep getting things done for people.

Polls tell us that Canadians support widely the idea of national universal pharmacare, but that does not necessarily mean single-public-payer in their minds. Notional support turns to stubborn opposition if it means that Canadians who are satisfied with their existing employer plans would have to give that up for perceived inferior public plans so that others may get coverage. The opposition entrenches even further if the price tag is so large that taxes must go up or other important social priorities go unaddressed. Instead, these centrist voters want a commonsense approach—equal access to drugs at little or no cost for those who don't have it, a much more modest and quickly achievable target. Canadians support others advancing, but not less for themselves.

Some commentators and political strategists in Canada have speculated that the orientation of centrist, middle-class Canadians could change because of the pandemic and that increased approval ratings for political leaders investing heavily to combat the pandemic could cross over into increased confidence in the public sector to make major new social program investments—an echo of post-World War II.

As the pharmacare example above demonstrates, the interplay of these considerations is slightly more complex. Coming out of World War II, taxes in Canada were high and were slowly reduced as the government was laying the social program infrastructure that carries us to this day. Today, taxes are low relatively speaking and debt being incurred to fight the pandemic will have to be serviced.

As we have seen, there is no correlation between government spending to combat the pandemic and government pandemic handling or overall approval ratings. For that reason, it seems unlikely that public support for progressive government emergency spending in a pandemic will transfer to support for ambitious progressive government spending to spur a recovery. Pandemic circumstances appear to have made middle-aged, middle-class voters even more tax sensitive than they were pre-pandemic.

Addressing financial insecurity

Because of the economic impacts of the pandemic, there is now a cohort of Canadians who are experiencing an improved sense of financial security because the \$2,000-a-month Canada Emergency Response Benefit (CERB) is paying it more or equal to what they would get slogging it out in a difficult, low-wage and often high-risk job. Though the Conservatives and some employers fiercely attacked the CERB as a disincentive to work, the CERB has been a boon to these Canadians, generally younger and more at risk. It has also been a lifeline to older workers who have had their employment curtailed. The government confirmed in the throne speech that it would phase the CERB out in favour of an expanded version of traditional employment insurance, which pays less and is generally time limited.

Transitioning these younger, often racialized Canadians, who may have felt “seen” for the first time by a government, from the CERB to a better, safer, more secure situation than what they had previously to the pandemic, perhaps through wage enhancements and access to employment benefits, is a huge opportunity. The Trudeau government signaled that direction on sick leave benefits in the throne speech (with NDP support), but more needs to be done.

There is opportunity for government to step in to help transition the 55+ voters who have seen their retirement plans compromised by pandemic economic consequences identified above. This is unlikely to come from conservative governments, though the demographic—particularly among men—skews in their direction. A fair and generous transition to retirement could lead to a realignment of partisan leanings for some of these voters.

But the largest electoral opportunity is found in Canadians who kept their jobs and had seen their hours reduced or lost their jobs. There are considerably more of these Canadians than “CERB bump” recipients above. This cohort skews heavily female, and many have been forced to reduce hours or in some instances leave jobs to raise children left out of child care or kids home from school. If the second wave hits the hours and pocketbooks of these Canadians as hard, or even harder, than the first wave, then one should expect that their public policy preferences will tilt even further toward job stimulus and supports, at the expense of virtually everything else. Worse, if schools begin closing en masse in response to a second wave, mothers will rightly be enraged by the choices that are being thrust upon them, again being forced to take something less than what they had rather than “better.”

The government signaled strongly in the throne speech that they have heard women faced with this situation and that their concerns would be at the centre of the ongoing pandemic response and eventual recovery plan. Training, with child care and benefit support for laid-off female workers, with sensitivity to the needs of female single-parent households, is not only an economic recovery imperative, it is a huge political opportunity for parties to build enduring attachments.

Go local, not glocal

Local action for local benefit has replaced the idea for many of local action for global benefit, for the time being.

Canada is experiencing a wave of small- and medium-sized business bankruptcies resulting from the first wave, and the second wave is anticipated to hit already struggling businesses hard. Small-business owners in many parts of the country also come from marginalized, racialized backgrounds. Again, the government signaled a strong intention to extend existing and build new supports for struggling small business, but there is risk of a perception that some multinationals and large Canadian enterprises are doing quite well at the expense of local businesses. The government has responded with a strong procurement program from domestic, local, and equity-seeking Canadians. This is overwhelmingly popular with Canadians—for example, in one survey, we found an 86 percent preference for the federal government to procure PPE through local businesses where possible rather than Amazon.

Policy that can help level risk, access to capital, and opportunity for local businesses will be contested political space for progressive and conservatives. Canada's Conservatives have already begun a Donald Trump-style pivot away from the Harper government's "anything for a trade agreement" strategy from 2006–2015. Progressives need to meet the challenge for the millions of diverse Canadians starting and restarting local businesses.

Addressing the fiscal challenge

Finally, we will be watching how the government manages the politics of the fiscal situation, the need for pandemic supports for Canadians, and the need to raise revenue at some point to pay for supports, as well as for any new programs to build back better. This debate hasn't been a feature of the three pandemic elections held in Canada, and we don't expect it to be in pandemic elections in 2021.

Once the pandemic is behind us and recovery underway, and politics return to normal, we expect the federal and provincial fiscal situations will likely define the politics of Canada for the next generation. Much as the politics of the past generation was driven by the debate over whether Conservative cuts or progressive taxes were the better approach to dealing with the fiscal and economic consequences of past downturns, and we expect the same questions to return.

Conclusion

This once-in-100-years pandemic could well provide an equivalent once-in-100-years opportunity for progressives to provide positive, meaningful change to millions of potential voters, much like the New Deal did in the United States for the Democrats and the 1944–1945 Mackenzie King social policy reforms did for the Liberal Party of Canada, paving the way for a long secure period of progress.

There is no evidence that big expensive government is a persuasive agenda in this climate, nor was it then. Attentive, responsive, solutionist government is a winning brand.

There are amazing opportunities within a framework of extending help to Canadians who need it, without taking needed supports away from other middle-class Canadians. Middle-class Canadians are ready for a progressive fairness and growth agenda that sees others succeed as well as themselves. They are not on board with a socialist redistributive agenda that attempts to level the playing field by taking things away for them that they rely on.

Recovery strategies from more recent recessions do not provide the necessary template for the policies required today. Instead, progressives may look to the enduring attachments that were built for Democrats in the United States by the New Deal and for the federal Liberals in Canada by the postwar reconstruction agenda of Mackenzie King through analogues like the GI Bill, housing supports, etc., updated for today's gendered and racialized economic and social challenges.

Action to meet these policy challenges will inevitably meet with opposition. Key to advancing progressive solutions will be setting up a metaframe of “build back better,” supporting and protecting progressive investment, versus the conservative “let's go back to the way things were” retrenchment message.

This is a frame in which progressive responses are most likely to prevail.

About the author

Don Guy is chief strategist at Canada's Pollara Strategic Insights and a vice president at Greenberg Quinlan Rosner Research. He has designed come-from-behind election victories for a host of progressive parties and candidates at the federal, provincial, and municipal levels. In 2015, Guy led the Engage Canada campaign that provoked Conservative Prime Minister Stephen Harper's early, extended election call that led to his defeat.

Endnotes

- 1 All polling cited in this paper was conducted by Pollara Strategic Insights and is provided courtesy of the author, who is chief strategist of the firm. The data is from Pollara's annual national survey; this year's results came out of the field as coronavirus cases started to rise again at the end of August 2020.
- 2 Poll respondents indicate those feeling financially secure (12 percent, or +4 points) or feel they are getting ahead with savings (41 percent, or +10 points), whereas fewer say they are falling behind on their monthly expenses (8 percent, or -7 points) or are just getting by with no savings (39 percent, or -7 points). Indeed, compared with 2019, fewer Canadians feel their financial situation (43 percent, or -7 points) and quality of life (38 percent, or -9 points) have declined, and that they are having trouble making ends meet (35 percent, or -14 points).
- 3 A slight majority of Canadians continue to feel their income has not kept pace with their cost of living, although fewer are feeling this way since 2018 (56 percent, or -11 points from 2019 and -22 from 2018). And one-quarter (26 percent, or -5 points) still feel that their household lives beyond their means.
- 4 Of note, the last broad-based tax increase attempted in Canada was in British Columbia, where centre-right Liberal Gordon Campbell attempted to sign on for the federal HST (a VAT). It led to such a furor that it forced his resignation and a referendum where it was defeated. The last broad-based tax increase implemented in Canada was Ontario Liberal Premier Dalton McGuinty signing onto the HST to spur business investment at the depths of the 2009 recession. Despite sending more than \$4 billion directly to consumers in transition supports, McGuinty fell from 71 seats to 53 in the next election, reduced from a majority to a minority.
- 5 Jessica Murphy, "WE charity scandal – a simple guide to the new crisis for Trudeau," BBC, August 20, 2020, available at <https://www.bbc.com/news/world-us-canada-53494560>.
- 6 Government of Canada, "Speech from the Throne," September 23, 2020, available at <https://www.canada.ca/en/privy-council/campaigns/speech-throne/2020/speech-from-the-throne.html>.