

Ethical Framework for Post-COVID Recovery

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Introduction

Soon the federal government will be making decisions of enormous consequence: How can we make the best use of stimulus spending? What kind of recovery will we fashion?

These questions are not simply political or economic; they are more fundamentally ethical in nature. In and through our collective responses, we will shape not only who we are as persons and societies but also the kind of world to which we belong.

Reading the Context

The pain of the COVID-19 pandemic has given us a wake-up call.

While the pandemic has been unprecedented in the scale of its social and economic shocks, these will pale in comparison to unmitigated impacts of climate change. In 2018, the Intergovernmental Panel on Climate Change (IPCC) warned us that we have until 2030 to limit the catastrophic impacts of climate change. We are entering a crucial decade in which we must act with decisiveness. Future generations will rightly condemn the choices of our generation if we don't seize this moment and respond with change-making action to address climate change. Second, the pandemic has shone a spotlight on inequality, the inadequacies of our social protections, particularly in response to gender-based violence and homelessness, and the precarity of the labour market. We have seen starkly divergent impacts. We may be weathering the same storm, but we travel in vastly different boats.

Even before the pandemic, gender equality was an issue. Women earned only 87 cents for every dollar earned by men.¹ Then women were hit the hardest at the beginning of the economic shutdown and will be slow to regain employment due to the high percentage of women with jobs in the hospitality sector. In addition, a growing number of women have had to leave the labour market altogether in order to care for young children and ill relatives.² There will be no economic recovery without affordable childcare.

Among women who have continued to work throughout the pandemic, many are toiling in jobs which put their health at risk (89% of nurse aides, orderlies and patient service associates are women as well as 91% of home support workers, housekeepers, and related occupations). Moreover, the jobs are also low paying with home support workers making 50% of the average

¹ <https://www150.statcan.gc.ca/n1/pub/75-004-m/75-004-m2019004-eng.htm>

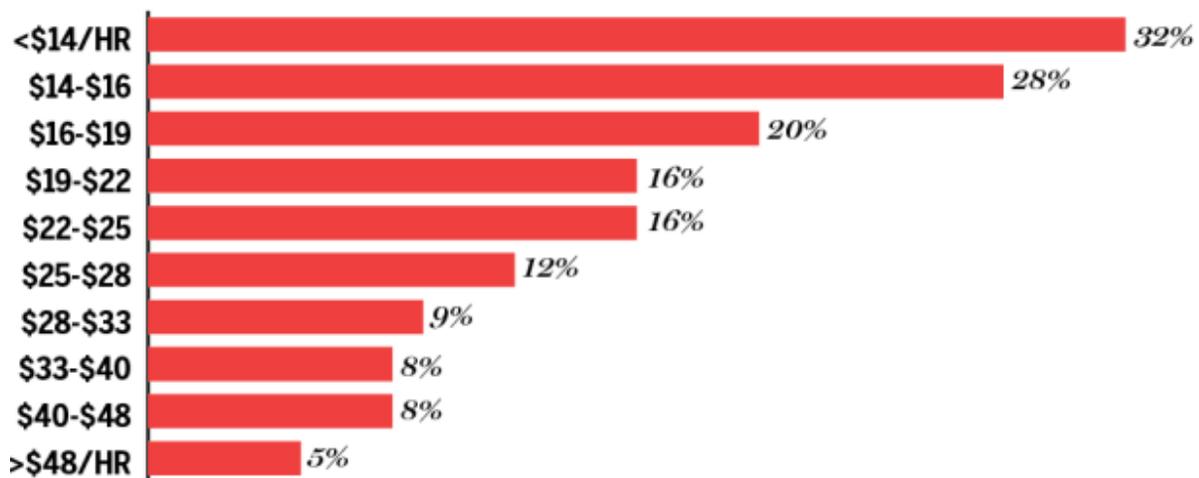
² <http://behindthenumbers.ca/2020/04/10/women-bearing-the-brunt-of-economic-losses-one-in-five-has-been-laid-off-or-had-hours-cut/>

income in Ontario (\$51,105), and nurse aides and orderlies making 65% of that amount). Racialized women are over-represented in these low-paying jobs.³

Low-wage workers in general have been hard hit by the pandemic. Between February and March 2020, a third of all workers earning less than \$14 an hour either lost their job or had their working hours decrease by at least half. Only 5% of workers earning over \$48 per hour lost their jobs or most of their hours.⁴

JOB LOSS FALLS AS WAGES RISE

Jobs lost or hours significantly reduced by wage between February and March 2020



SOURCE: STATISTICS CANADA

Lost majority of hours based on hours in all jobs comparing usual vs actual hours, excluding vacation leave

SOURCE: STATCAN LABOUR FORCE SURVEY PUMF AND CALCULATIONS BY

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The intersection of the pandemic with a global movement for racial justice has heightened awareness of the terrible impacts of systemic racism. To create real change, and to hold structures of power and privilege accountable, it will be important to collect race-based data in all sectors of communal life.

In all of this, we have seen the need to create a more resilient society and economy. As we face future crises, we need to be better prepared to respond with speed and fairness. Now is the time to invest in a just transition which prioritizes workers and creates strong communities.

³ <http://behindthenumbers.ca/2020/04/06/face-to-face-with-covid-19-how-do-we-care-for-care-workers/>

⁴ <http://behindthenumbers.ca/2020/04/09/early-warning-covid19-labour-market-impacts/>

This need is nowhere more evident than in the case of Canadian long-term care homes, where almost 80% of deaths due to COVID-19 have occurred. The crisis was manifested in both Quebec and Ontario, where, remarkably, the military had to be sent into institutions and some centres brought under provincial government management. For years, the levels of hands-on care have been well-below need in many such institutions, especially private for-profit residences, where off-loading complex patients from hospital care only served to complicate the situation.

Third, we are amid a reconciliation process between settler-Canadians and Indigenous peoples. Indigenous wisdom and knowledge, which have long called attention to the interconnectedness of all life on earth, need to be the cornerstone of a new vision for society and economy. Indigenous peoples who live in close relationship with land and water are among the first to face the direct consequences of climate change. Yet, despite poverty, human rights violations, discrimination, and high levels of unemployment, many Indigenous persons are not willing to compromise when it comes to care of the earth. As Niigaan James Sinclair insists, "Pipelines, mines, and projects that extract resources while compromising the earth and water are not the only solutions to escape poverty".⁵

Fourth, Canada is part of an international community. Globally, measures to fight the pandemic have led to restrictions of long-established civic rights and democratic structures, nationalism, racism, intolerance, and xenophobia. For persons forced to migrate, border closures have too often prevailed. Before COVID-19, over one billion people were without access to basic human needs, and 700 million were living in extreme poverty, mostly women and children. In many countries, health and social protection systems are inadequate, revealed by the lack of provisions to protect and test medical staff and treat the infected.⁶

Lower-income countries face far greater challenges than Canada. The World Bank estimates that up to 60 million people will be thrust into extreme poverty as a result of the pandemic.⁷ And Oxfam International notes that "nearly 3 billion people across the developing world do not have access to clean water, millions more do not have access to adequate healthcare and live in crowded slums or refugee camps where social isolation is impossible."⁸

⁵ <https://www.facebook.com/niigaan>

⁶ Statement of the Conference of Non-Governmental Organizations in Consultative Relationship with the United Nations (CoNGO), 12 May, 2020.

⁷ https://www.bbc.co.uk/news/amp/business-52733706?_twitter_impression=true

⁸ <https://www.oxfam.org/en/how-coronavirus-pandemic-exploits-worst-aspects-extreme-inequality> and <https://www.undp.org/content/undp/en/home/coronavirus.html>

This is not a time for patching up ailing societies or economies. The cracks in the systems are simply too wide. Nor can we choose the austerity which followed the 2008 financial crisis. It was austerity-rooted cuts to health care systems which left us so incredibly vulnerable to the coronavirus, and a weakened EI program which left so many workers at risk when jobs were lost.

No, this is a time for bold policies to build resilience and fairness in Canada and beyond our borders. It's time for sustainable societies and economies rooted in care of earth and each other.

Given the gravity of these matters, we offer the following ethical reflections for decision-making.

Integral Ecology

Integral ecology calls us to be aware of the interconnections in the four areas outlined above.⁹ These issues are interwoven and interacting; they cannot be addressed separately. If we are to create real change, it will be necessary to identify root causes which are common to all these issues. In particular, we must examine economic links between climate change, growing levels of inequality and precarious work, widespread environmental damage, societal polarizations, and widening cracks in social protections.

For example, the dangerous and uncontrolled greenhouse gas emissions creating climate change are not simply environmental in scope; they have political, social, cultural and economic ramifications. We need to be more conscious of our interconnectedness with earth and each other; more aware of the impact of our patterns of production and consumption. It is time to keep the promise to end billions of dollars spent on subsidies to the fossil fuel industry and focus on renewable energy sources; time to expand government support for low-carbon sectors and programs which are critical in addressing the climate emergency: building retrofits, energy efficiency, renewable energy, de-carbonization of electricity, and clean public transportation.

It will take comprehensive and structural change for Canada to reduce emissions to 60 per cent of 2005 levels by 2030. It will take new social and economic structures which prioritize the needs of people and the planet.

Dignity of Work and Dignity of the Person:

The dignity of the person is the foundation for a moral vision of society. In terms of the labour market, this principle insists that the wellbeing of workers must take precedence over the pursuit

⁹ Pope Francis, *Laudato Si*, #139; May 24, 2015.

of profits; working conditions must respect the rights of workers including the right to safety, respectful interactions, meaningful and productive work, and a living wage.

The pandemic has forced us all to re-think the criteria by which the market economy values some work over other. How is it that some of our most essential workers could be so poorly paid? Why has pay equity legislation – at both federal and provincial levels - still not been fully implemented?

For instance, throughout this pandemic, we've experienced the essential nature of the care economy (child-care, early childhood education, care of elderly and long-term care, 6supportive care for disabled persons, personal support workers, and other personal services). It is essential both in terms of our desire to care properly for one another and if women are to have equal opportunities in the world of work.

Given the combination of our aging population and the socio-economic importance of more women entering the workforce, this work will only increase in significance. Adequate investment in the care economy is urgent to meet societal needs and to stimulate economic growth through the creation of millions of quality, low-carbon jobs. Care work has been undervalued in Canada for too long. Now is the time to set care work on a better trajectory.

And we must also address this country's unequal treatment of several categories of workers who arrive here as asylum-seekers, non-status persons and migrant workers. People who labour in meat-packing plants and migrant labour camps have been hard hit by COVID-19 outbreaks, due to cramped working and living conditions and lax application of labour standards. After seeing how the corona virus can spread among us all, do we still believe that, given unimaginable global inequality, wealthy countries can build impenetrable moats around our prosperity? Why would we not offer pathways to permanent residence for people doing such essential work?

Reconciliation is rooted in restorative justice.

Reconciliation moves us toward a new reality, toward a wholeness grounded in new ways of being in relationship; a wholeness made possible by justice. Regarding reconciliation with Indigenous peoples, Senator Murray Sinclair said, "It's up to society to step up and take the actions that are needed."¹⁰ He roots reconciliation in actions which create systemic change; actions which heal relationships, first by uncovering how unconscious bias has shaped the

¹⁰ <https://www.cbc.ca/news/indigenous/murray-sinclair-truth-and-reconciliation-progress-1.4030715>

structures and institutions in our society and then by changing these institutions, structures, policies and practices in ways which create equity and justice.

In part, this means honouring the rights of Indigenous peoples by fully implementing the U.N. Declaration on the Rights of Indigenous peoples with immediate priority given to upholding the principle of free, prior and informed consent. The federal government promised legislation would be introduced to do exactly that before the 2020 year end, perhaps based on British Columbia's Bill 41, but this has yet to be tabled. Efforts to move toward right relationship by ensuring Indigenous voices, wisdom and experience are included in solutions will also strengthen our care of land and water, reduce poverty and create greater equity in our health care, contribute to the creation of good jobs, and lead to more effective climate action.

Our shared humanity.

Canadians are committed to universal aims such as human rights, sustainable development goals and climate action which honours the principle of common but differentiated responsibilities. We are part of a global community, seeking a wholeness which honours diversity and brings forth compassion and justice. Our shared future is dependent on nurturing the wellbeing of each other and the planet; our resilience determined by the strength of our bonds.

The COVID-19 virus, and the cascading crises which flow from it, have put a spotlight on our shared humanity. We have become aware that, collectively, we are only as safe as the weakest health care system, and only as strong as the weakest economy, social protection system, democracy and bio-region. When a crisis takes hold in one area, it does not stay there. We are all impacted, albeit in differing ways.

In the spirit of our shared humanity, we call for an increase in support for climate change adaptation and mitigation measures in the Global South through international climate financing mechanisms, multilateral debt cancellation, and increasing federal monies available to Canadian international NGOs. We also note that Canada's "fair share" for climate action is \$4 billion USD by 2020 (Canada committed only \$2.65 billion Cdn.)¹¹

The Common Good.

The idea of the common good flows from a recognition of our interconnection with earth and each other. It insists that each and every person must have access to the basic resources and

¹¹ <https://climateactionnetwork.ca/2019/12/02/canadas-fair-share-towards-limiting-global-warming-to-1-5c/>

opportunities which are fundamental to human flourishing and, likewise, bio-regions must have what they need to flourish. The common good insists that the quality of a community can be judged only in terms of the resources and opportunities which are available to those who are most marginalized.

A Universal Basic Income (UBI), especially for persons 18-64 who are able to work, can be an effective tool to protect people as they transition from one job to another or navigate periods of turmoil (illness, domestic violence, divorce.) To be useful, it needs to keep a person's income above the Low-Income Measure. Moreover, UBI is only effective to the extent it is accompanied by strong social protections. It must not become an excuse to allow social protections to erode further. Likewise, since income is a leading determinant of health, UBI can help to manage growing health care costs, but this cannot be a signal to pull money out of health care. It is, rather, an opportunity to strengthen health care through programs such as universal pharmaceutical care.

We also see UBI as a foundation from which to shape better quality jobs. As the study "Southern Ontario's Basic Income Experience," indicates, UBI does not discourage people from working but rather helps them to move to better jobs with higher wages and better working conditions.¹² This, in turn, should slowly create incentives for widespread improvement of lower-end wages and working conditions.

Solidarity.

The principle of solidarity is a commitment to the common good. It's meant to be expressed in the economic, cultural, social, political and religious institutions which shape society as well as our interaction with bio-regions. Solidarity is closely linked with social transformation, requiring an awareness of the inequities and exclusion experienced by many groups, and calling people to a politics of compassion and justice to create policies which will lead to more just structures on local, national, and global levels.

There is no avoiding the need for massive new public financing to pave the way towards the fair, equitable and green recovery that Canadians want, and for which our planet yearns. In a poll taken in May, 2/3 of Canadians wanted government to spend "whatever is required" in order to rebuild and stimulate the economy, even if that means running large deficits. Respondents were especially concerned to see improvements in the long-term care system. Fully 75% of Canadians

¹² <https://labourstudies.mcmaster.ca/documents/southern-ontarios-basic-income-experience.pdf>

supported implementation of a wealth tax on Canada's wealthiest people to help pay for the recovery.¹³

In the long term, taxes will go up, and tax fairness must be guaranteed if the burden is to be shared equitably. In the shorter term, strong governmental leadership will be needed to avoid falling into harmful patterns of austerity. Economist Jim Stanford has made a compelling case for treating the post-COVID recovery like a modern Marshall Plan. He notes that, when a national government has its own currency, as we do in Canada, it has "no limits on how much money it can raise and mobilize in order to meet pressing emergencies, whether it's in our economy or in our society or health system."¹⁴ Noting that interest rates have fallen below 1 percent, Stanford also discredits arguments which suggest the government debt incurred through pandemic emergency measures and the immediate recovery period will require years of austerity and belt-tightening in order to pay down debt. We are basically borrowing from ourselves and will pay ourselves back as the economy strengthens, with very little in carrying costs given the ultra-low interest rates. "With appropriate employment, fiscal and monetary policies, that debt need not hold back the post-COVID recovery we need," he insists. Just as huge post-war investments led to strong economic growth, good jobs and a strengthened social safety net, we can use this recovery period to create an equitable and sustainable society and economy.

In a similar vein, Scott Aquanno urges the government "to consider innovative financing mechanisms" to move beyond the predictable austerity measures which will be called for in the post-recovery phase. He lays out a plan for the "development of a new public bank, backstopped by, but independent from, the BoC, to support public investment and give governments access to cheap credit over the long-term."¹⁵ This is a time for careful yet innovative policies, not the usual policy ruts.

Furthermore, to pay for these necessary changes, not all necessary financing must come from increased spending – substantial resources could be made available by redefinition of priorities

¹³ https://d3n8a8pro7vhmx.cloudfront.net/broadbent/pages/7611/attachments/original/1590088079/Abacus_May2020_Report.pdf

¹⁴ See both <https://www.cbc.ca/radio/thesundayedition/the-sunday-edition-for-may-24-2020-1.5575621/to-rebuild-the-economy-after-covid-19-we-ll-need-more-government-not-less-jim-stanford-1.5575638> and <https://policyoptions.irpp.org/magazines/april-2020/were-going-to-need-a-marshall-plan-to-rebuild-after-covid-19/>

¹⁵ See Scott M. Aquanno, "The Bank of Canada and Crisis Management," Canadian Centre for Policy Alternatives, May 2020, p.5. <https://www.policyalternatives.ca/publications/reports/bank-canada-and-crisis-management>

based on several of the ethical principles mentioned above. For example, does spending on “defense” need to remain several times more than international development assistance, or Canada’s commitment to global financing for climate change action?

Additionally, to address climate change, Canada promised in 2009 under Prime Minister Stephen Harper (and then again under PM Justin Trudeau’s government) to end subsidies to oil and gas companies. Yet, a recent study suggests Canada is second worst in the G20 for public finance for fossil fuels (at CAD \$13.8 billion a year for 2016-2018).¹⁶ As the government fulfills its promise to stop propping up the fossil fuel industry through subsidies, there will also be a need to sharply increase the support given to oil and gas workers - including immediate financial relief as well as opportunities for training, education and employment in existing low-carbon sectors. With the federal government using Export Development Corporation as a major vehicle for COVID-19 recovery finance, redeployment of funding should be a priority.¹⁷

While response to the COVID-19 pandemic has necessitated more stringent restrictions on personal behaviours of Canadians, there has also been pressure on governments to loosen regulations and compliance rules for businesses. For example, in May, the Alberta Energy Regulator lifted environmental monitoring restrictions for all oil and gas companies, and Bill 1 outlaws protests against “critical infrastructure” – defined broadly to include railways, pipelines and mine sites. These moves have been denounced by Indigenous leaders as “racially targeted.”¹⁸ But as we have seen with the terrible crisis in long-term care, this is precisely the time to increase transparency and accountability on labour standards, health and safety and environmental concerns.

And whenever financing is provided, no taxpayer-supported company should be allowed to pay lavish bonuses to executives or to launch monster share buyback programs (as we saw after some bailouts following the 2008 market crash.) International companies should be held to global standards for tax transparency¹⁹ and not receive funding if they use tax havens or aggressive tax avoidance practices.

¹⁶ <http://priceofoil.org/content/uploads/2020/05/G20-Still-Digging.pdf>

¹⁷ Ibid.

¹⁸ https://www.huffingtonpost.ca/entry/alberta-bill1-indigenous-first-nations-protests_ca_5ed9a4e9c5b6d90c9a5bb3b4?ncid=other_twitter_coo9wqtham&utm_campaign=share_twitter&guccounter=1&guce_referrer=aHR0cHM6Ly90LmNvL1BMU25OZmtUWW4_YW1wPTE&guce_referrer_sig=AQAAAMj-bU79MUWnqq5NnzKFxpMg3FhPXCoh7W-95JP7OxvkmHSovXvStgja9vvB9dpHWqcQMJf3baPkm1XFGifxj42zgmyXxErktASqc_8mOEsu0kX7MdYmsGq9jmsdg1lup_TeJD5bt1z0U72WH3aP_-kqQjnW6Dt_Uf9VnVb08ij

¹⁹ <https://www.globalreporting.org/information/news-and-press-center/Pages/First-global-standard-for-tax-transparency.aspx>

Conclusion

Canada needs a new social contract. The fabric of the post-war social contract has frayed to the point of no return. The current crises are so interconnected that we must tackle the root causes which are common to them all.

While the task is enormous, so too is the potential. We know the policies which are needed to support an integral ecology which simultaneously cares for people and planet, to acknowledge the dignity of work and dignity of the person, facilitate a reconciliation with Indigenous persons rooted in restorative justice, and witness to both our shared humanity and the common good. It is simply a question of political will.

Will we invest in the care economy, properly value the work which is essential to our communities, deliver on gender equality, honour the rights of Indigenous peoples and create the path toward restorative justice, care for land and water, take effective climate action with policies to support a just transition, create social and economic equity, re-prioritize government spending, and modify the tax system to address both the problem of extreme wealth and the inadequacy of current government revenues?

These decisions will define our generation. A better future is within our grasp.