

Making Sense of the Chaos: COVID-19 and Ontario government policy

A presentation to OSSTF Active Retired Members
Randy Robinson, Canadian Centre for Policy Alternatives
May 2021



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COVID-19 THIRD WAVE

PREMIER INSISTS SCHOOLS ARE SAFE

BREAKING NEWS: All Toronto schools will close to in-person learning effective tomorrow.

Ontario 8
PARIS INDEX

TELECOMMUNICATION SOFTWARE

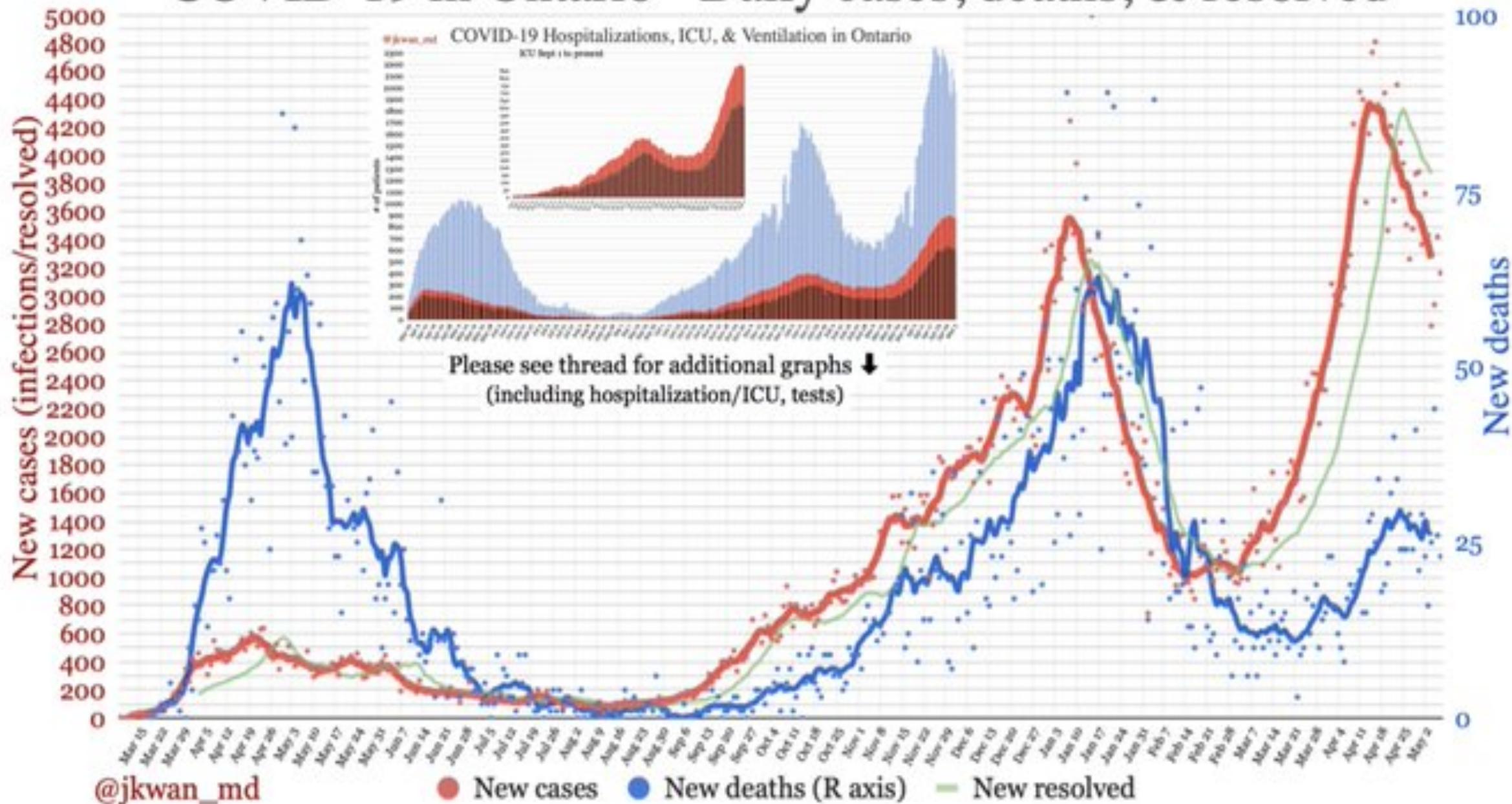
A man with short, light-colored hair, wearing a dark suit jacket, a light-colored shirt, and a purple tie, is shown in profile, speaking. The background is dark and out of focus, suggesting an indoor setting like a conference room or office. A text overlay is positioned in the lower-left corner of the frame.

**DOUG FORD
SHORTCHANGED
EDUCATION**

About the CCPA

- The Canadian Centre for Policy Alternatives was created in 1980
- We study how to make government do things better, and do better things
- In 2020, CCPA researchers were mentioned in over 17,500 news stories across Canada
- We work on things like unemployment, racial discrimination in the economy, education funding, health care, and climate
- We do a lot of analysis of data from Statistics Canada

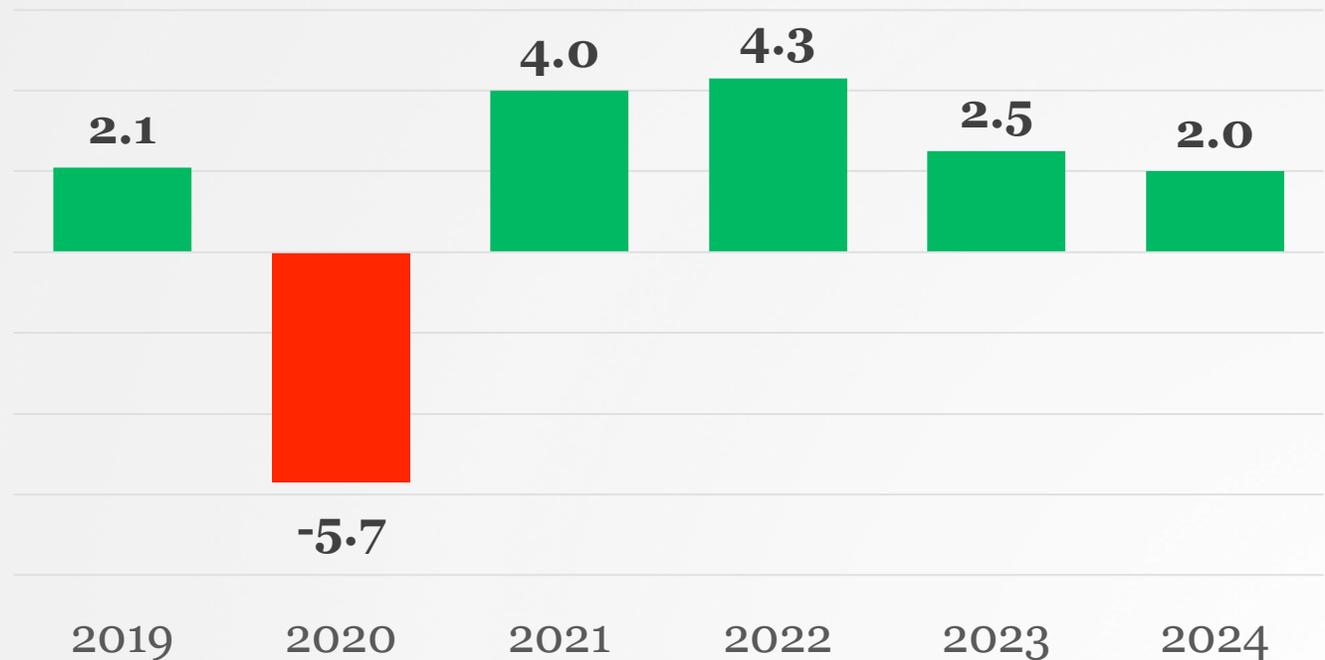
COVID-19 in Ontario - Daily cases, deaths, & resolved



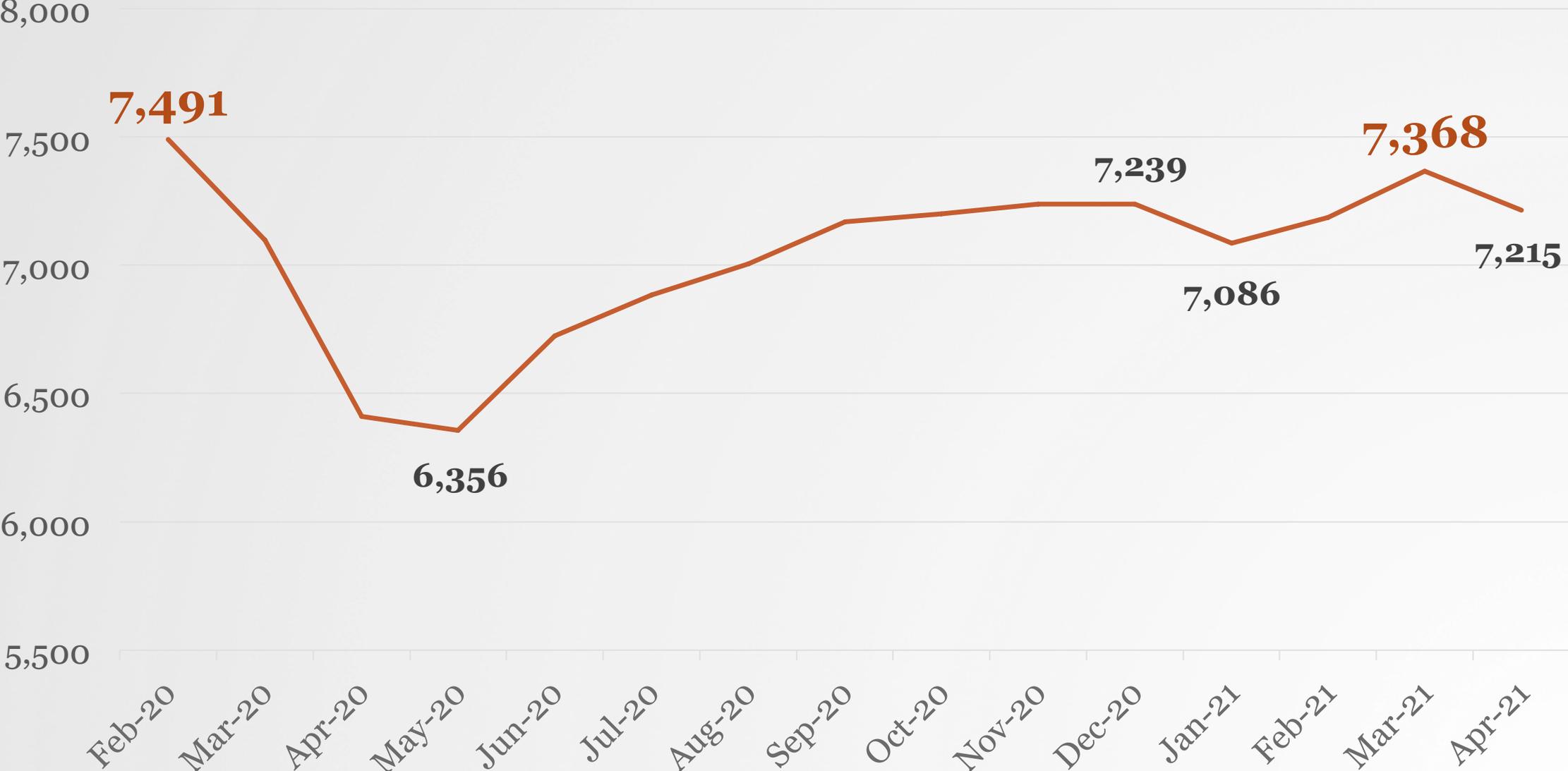
What happened?

- In March 2020, government orders closed down much of the economy
- Partial re-openings and re-closings have happened at various times

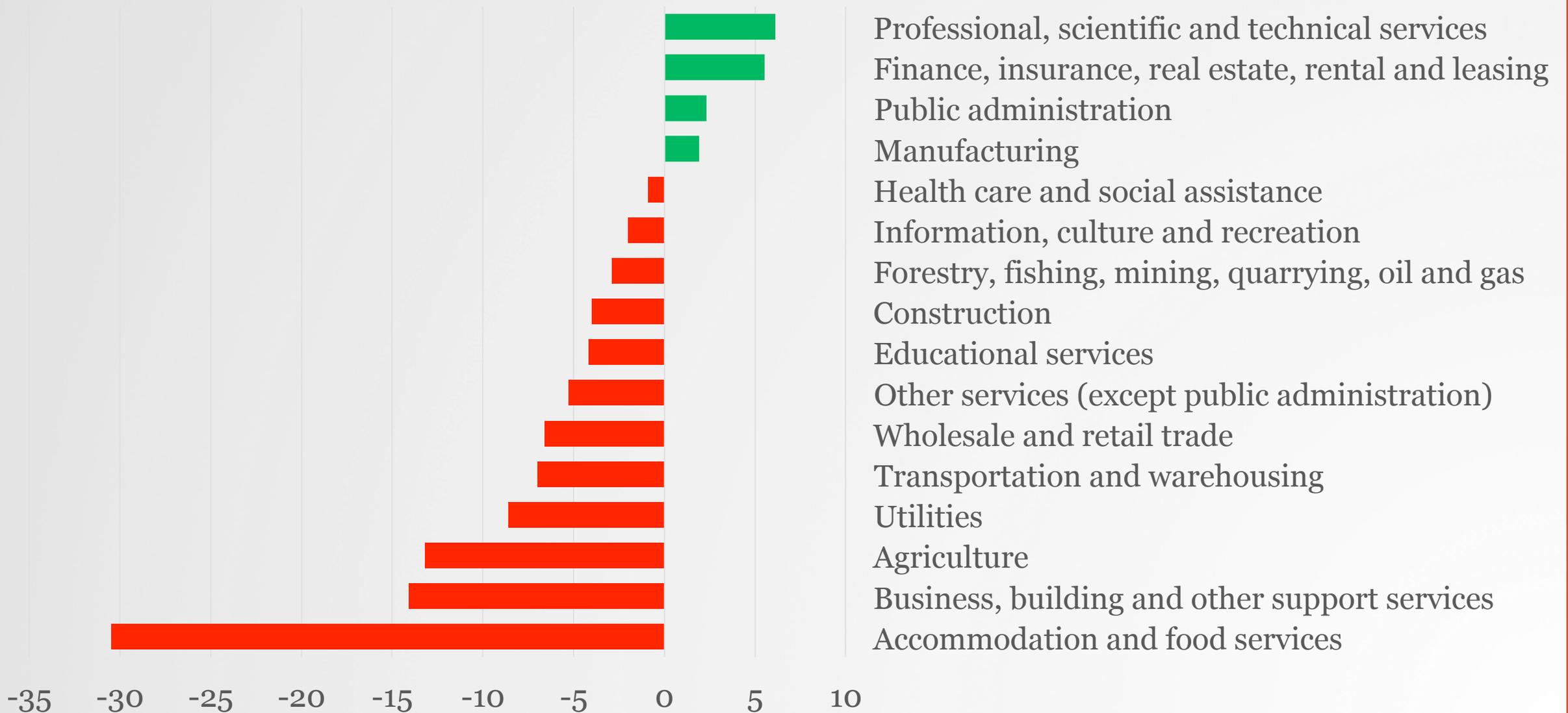
**Ontario real GDP growth
(%), 2019-2024**



Total employed, all industries, Ontario (thousands)



Change in employment by sector (%), Ontario Feb. 2020 – April 2021



Percentage change in total actual hours worked (main job) each month relative to February 2020 among workers by gender (15+ yrs)

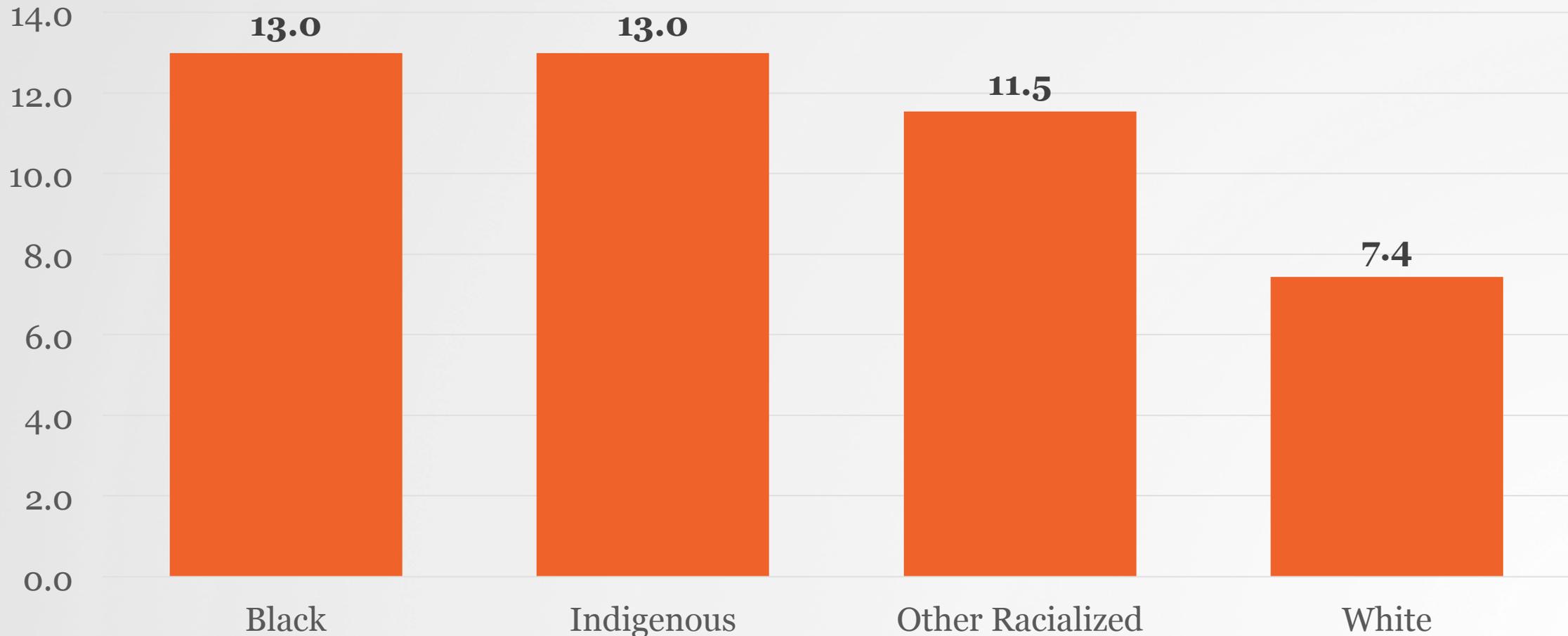
■ Males ■ Females



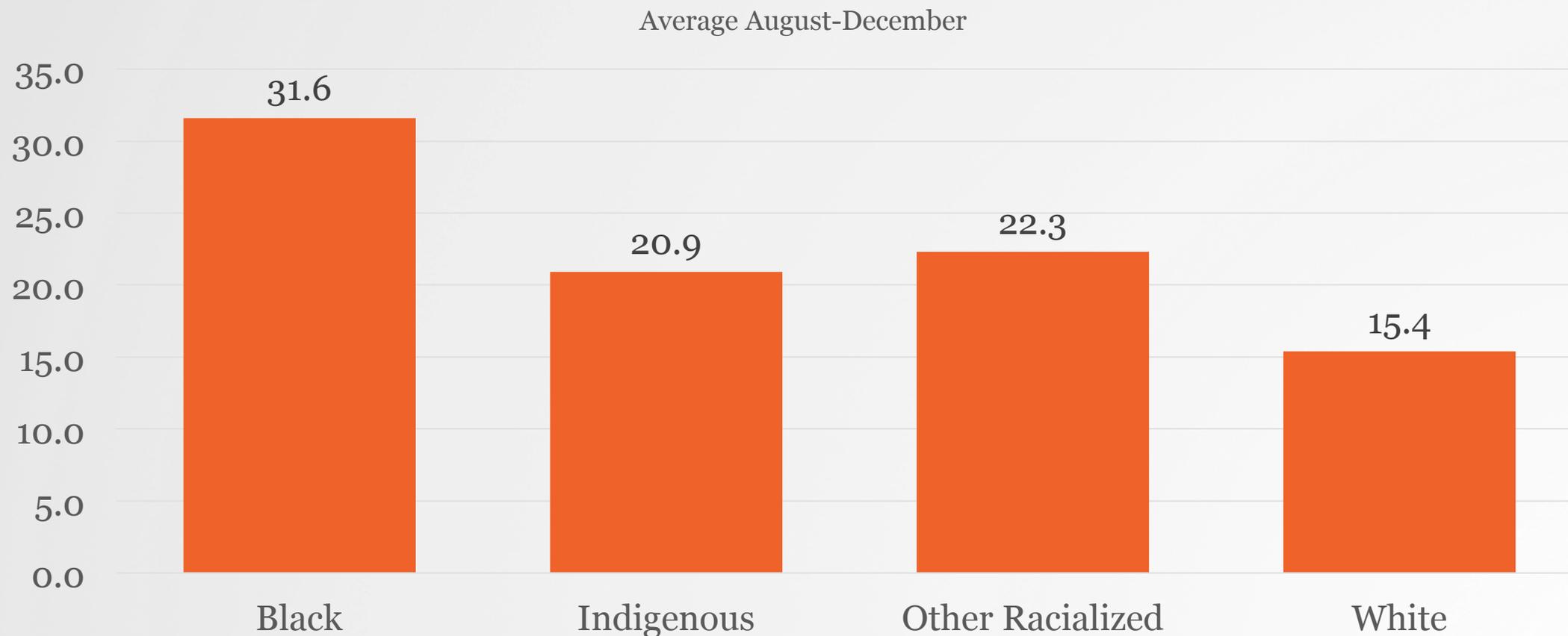
Chart: Katherine Scott, Canadian Centre for Policy Alternatives •

Source: [Statistics Canada. Table 14-10-0032-01 Actual hours worked by job type \(main or all jobs\), monthly, unadjusted for seasonality](#) • [Get the data](#) • Created with [Datawrapper](#)

Average unemployment rate, Canada, Aug.-Dec 2020 (%) (Ages 15-69)



Average youth unemployment rate, Canada, Aug.-Dec. 2020





Canada's billionaires saw their net worth increase by \$78 billion in the first year of the pandemic.

BUSINESS

Rich get richer, poor poorer: Two reports say pandemic intensifying inequalities

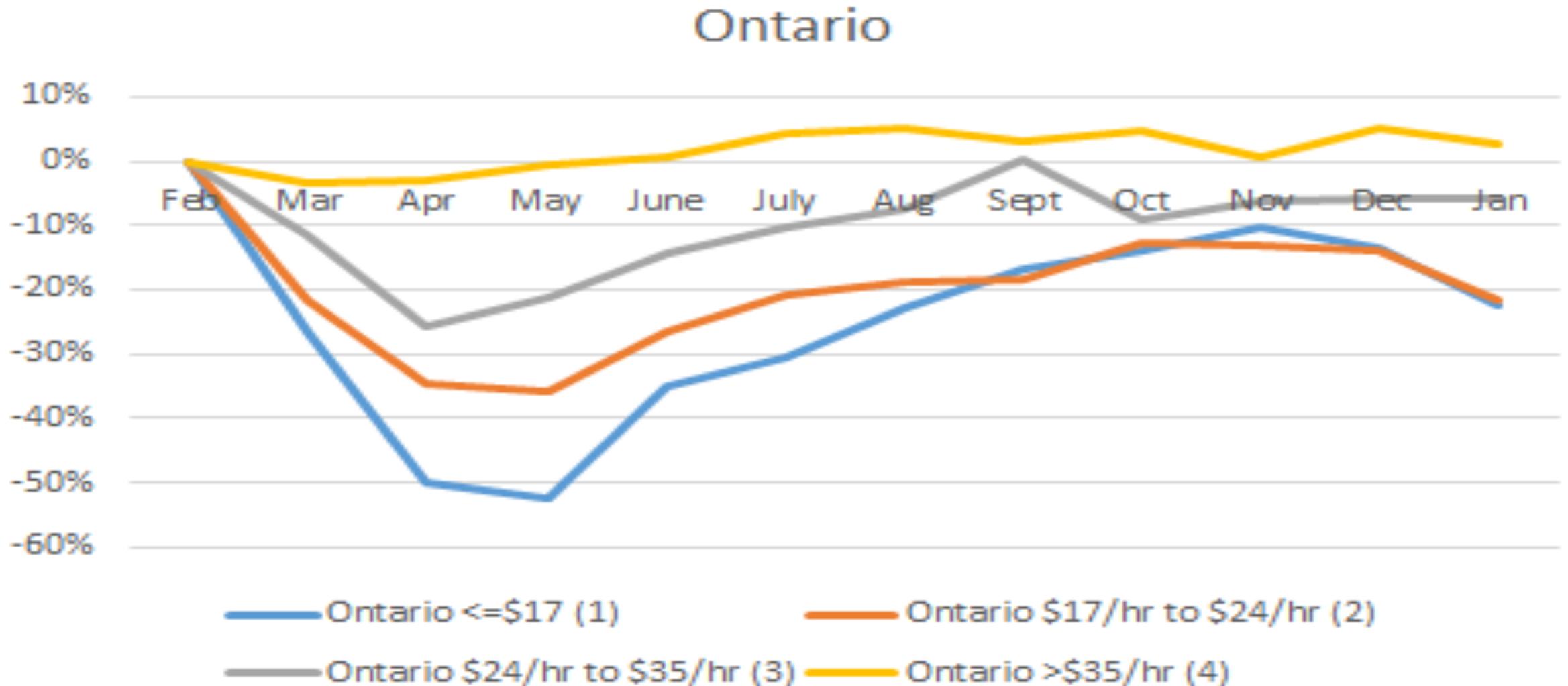


By **Brett Bundale** The Canadian Press
Tue., Oct. 13, 2020 | 3 min. read

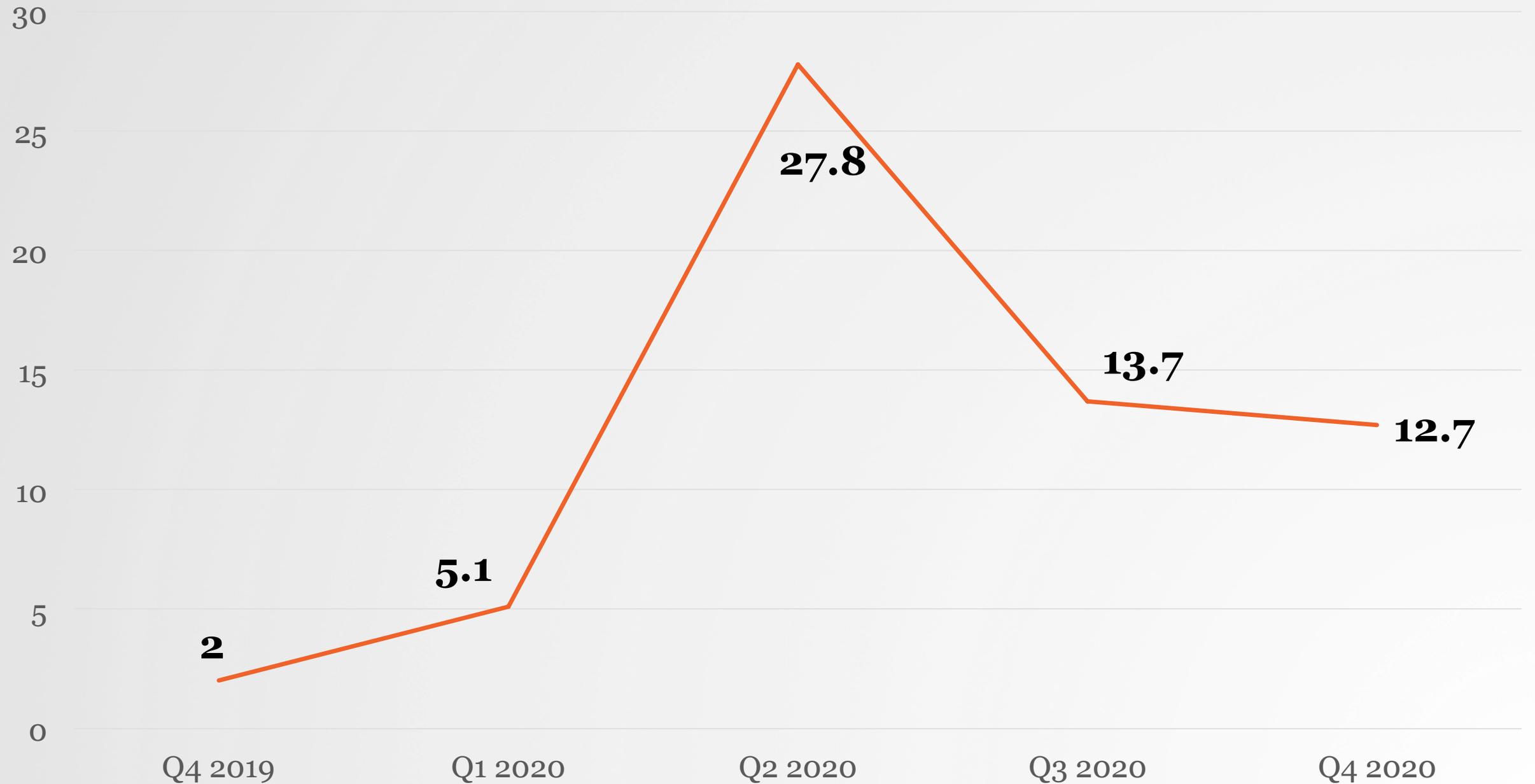
Article was updated 21 hrs ago

Job loss by income level, Ontario

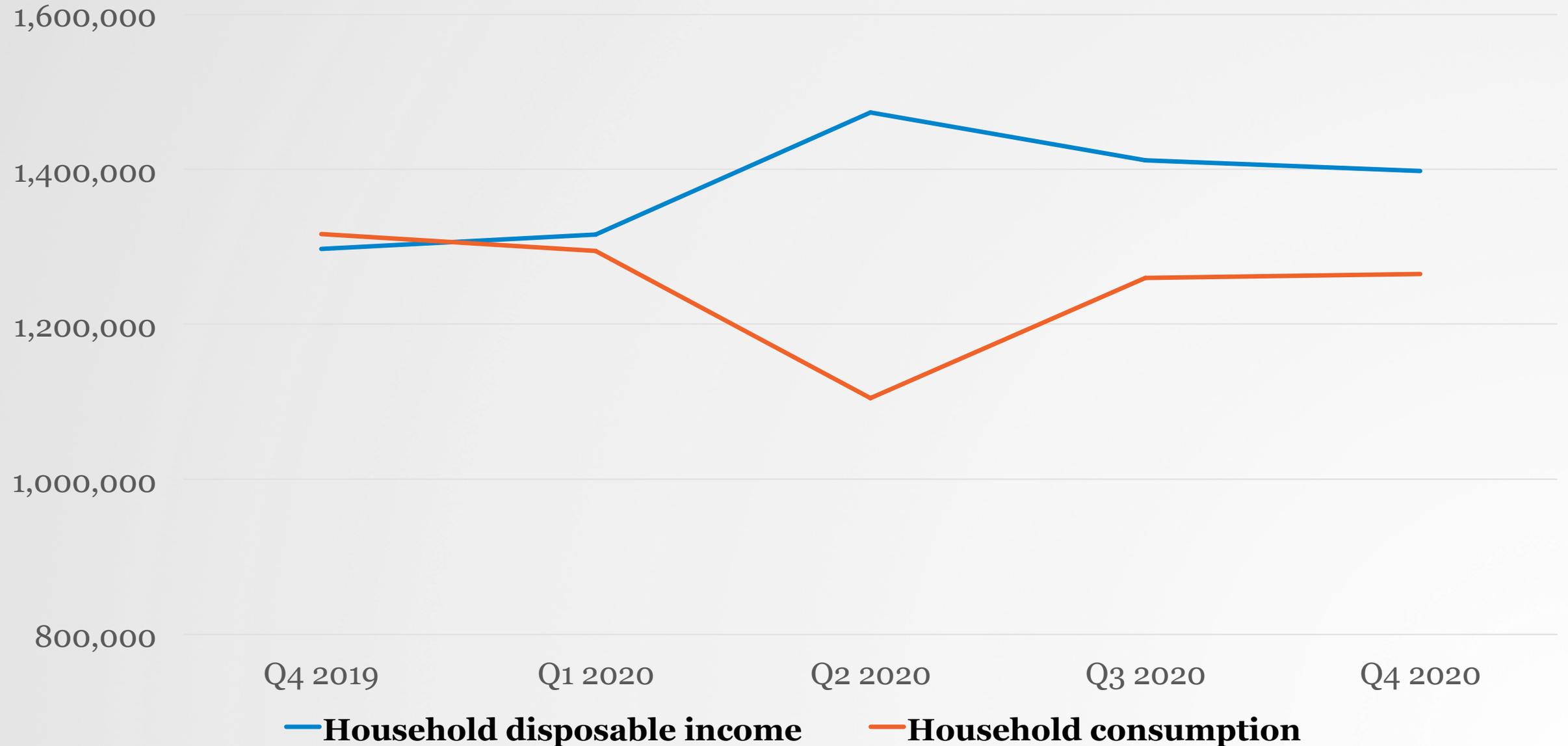
Feb. 2020-Jan.2021



Household savings rate, Canada, %



Household disposable income and consumption, Canada (\$ thousands)



What happened to government finances

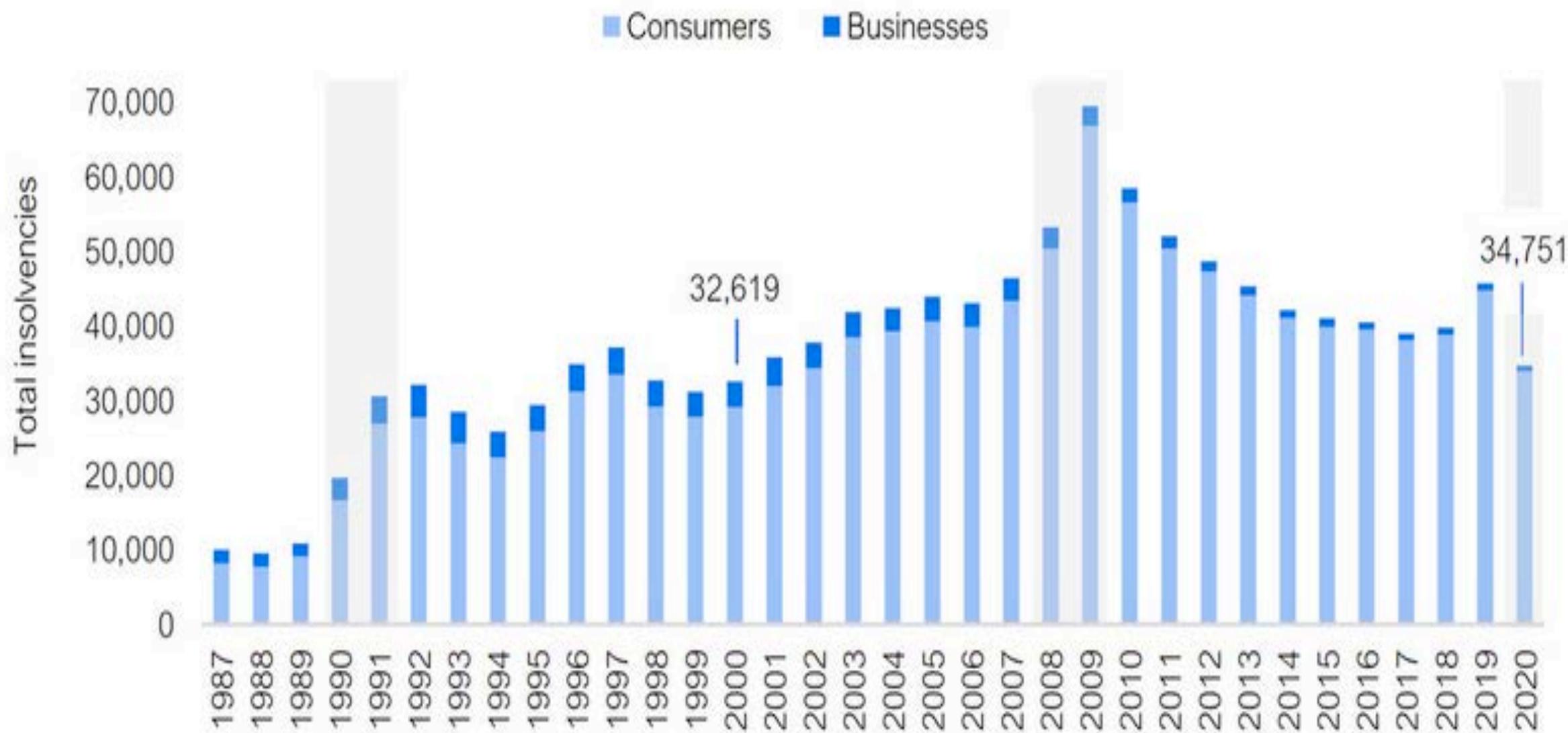
- As employers shut down, government revenues collapsed at every level
- Despite the falling revenues, the federal government introduced major income supports for individuals, businesses, provinces, and municipalities
- With revenues falling and costs rising, the federal deficit for 2020-21 hit \$354 billion
- This was a massive injection of money. How was it possible?



Effects of federal spending

- Through Bank of Canada borrowing and low interest rates, interest on the federal debt actually fell last year despite massive new borrowing
- Federal borrowing has put money into households and businesses at unprecedented level

Figure 2: Annual insolvencies in Ontario in 2020 reached the lowest level in two decades





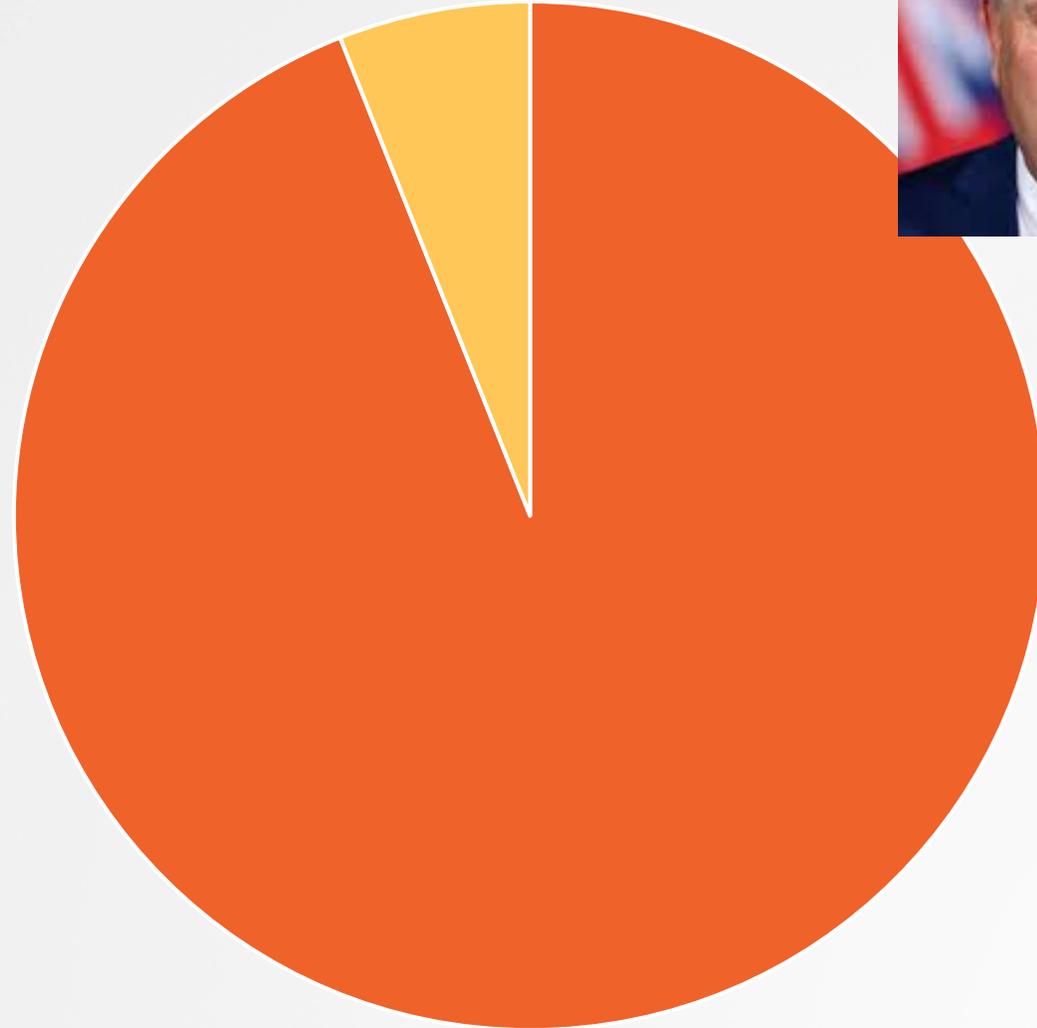
Meanwhile...



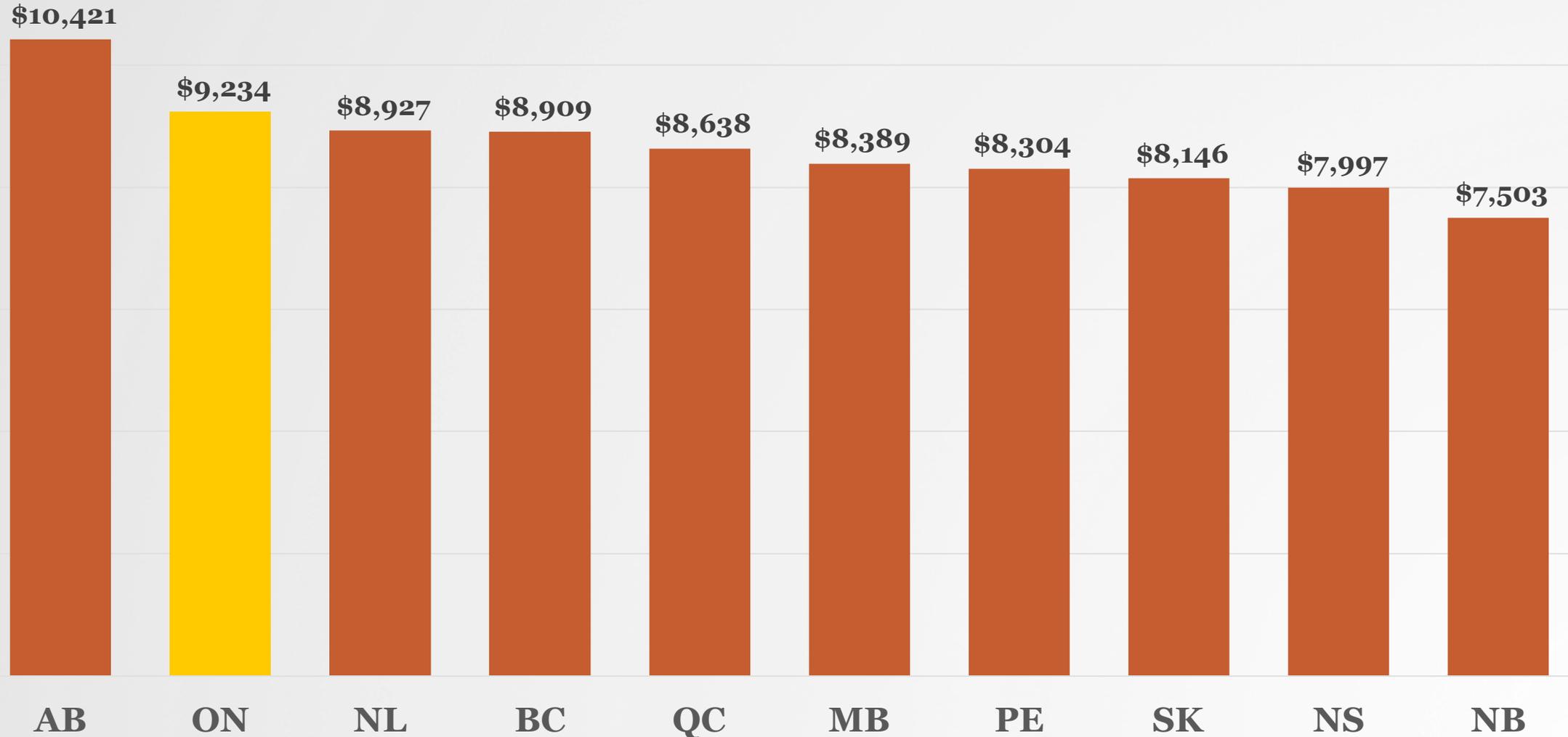
Queen's Park and COVID-19

In 2020, 94% of the money spent by governments in Ontario was spent by the **federal** government. The province chipped in 6%.

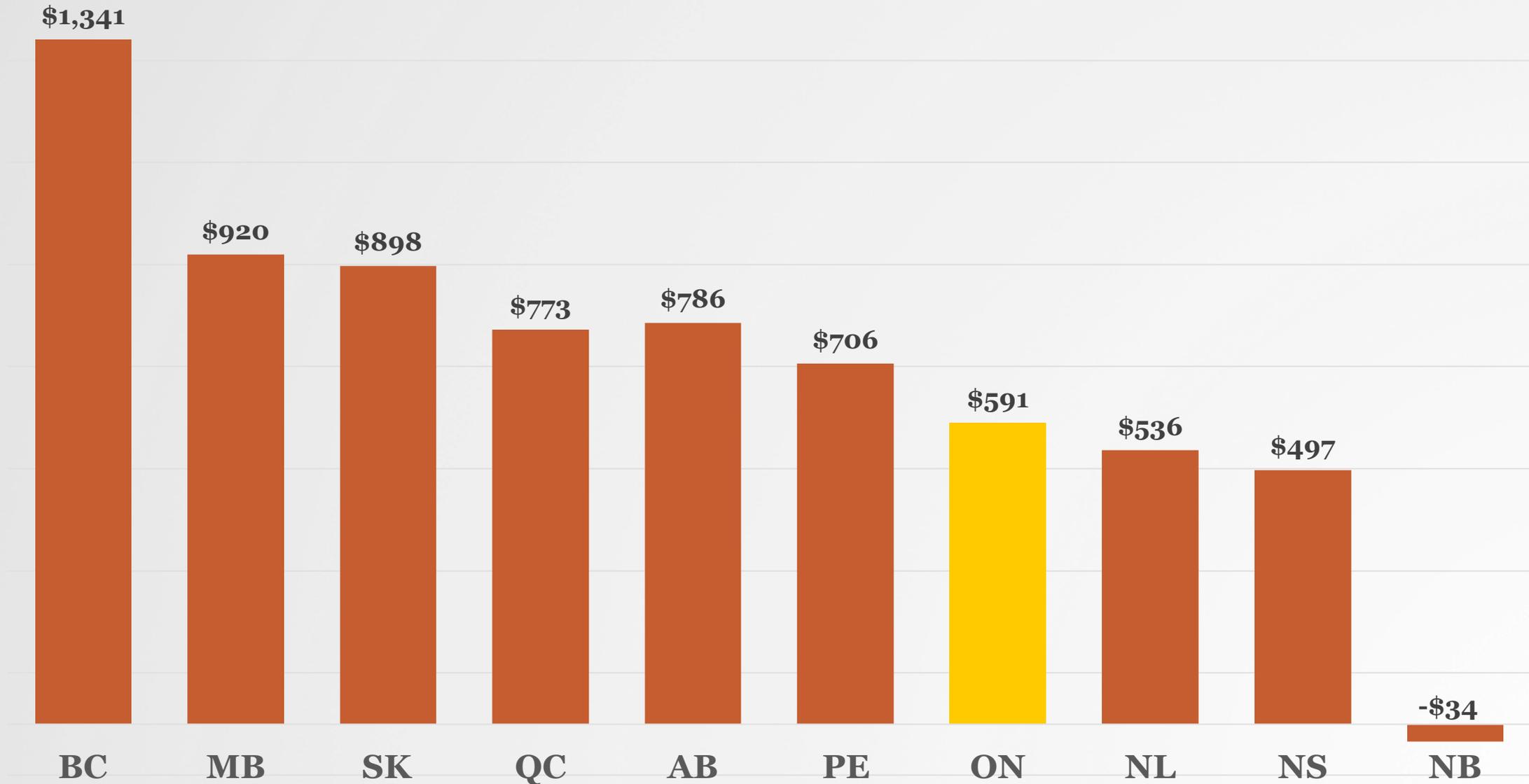
Where Ottawa spent \$136 billion in Ontario, Queen's Park spent \$9 billion of its own money.



Federal COVID spending per capita, 2020



Provincial COVID spending per capita, 2020



Queen's Park and COVID-19

While repeatedly saying he would “spare no expense” to protect health and the economy, the Premier has consistently:

- spent less than needed;
- delayed necessary spending; and
- refused to do anything to raise provincial revenues

“We’re going to continue being very fiscally conservative.”



On long-term care

- “I’ll spare no expense to make sure we fix the system. That’s what we’re gonna do. We’re gonna make sure we fix the system.”

- Doug Ford, May 26



- “Ontario’s response to COVID-19 in the winter and spring of 2020 was slower and more reactive relative to most other provinces.”

— Bonnie Lysyk, April 28





ELIZA FERNANDES

Mrs. GINTO

RIP
RUTH J. SIMPSON

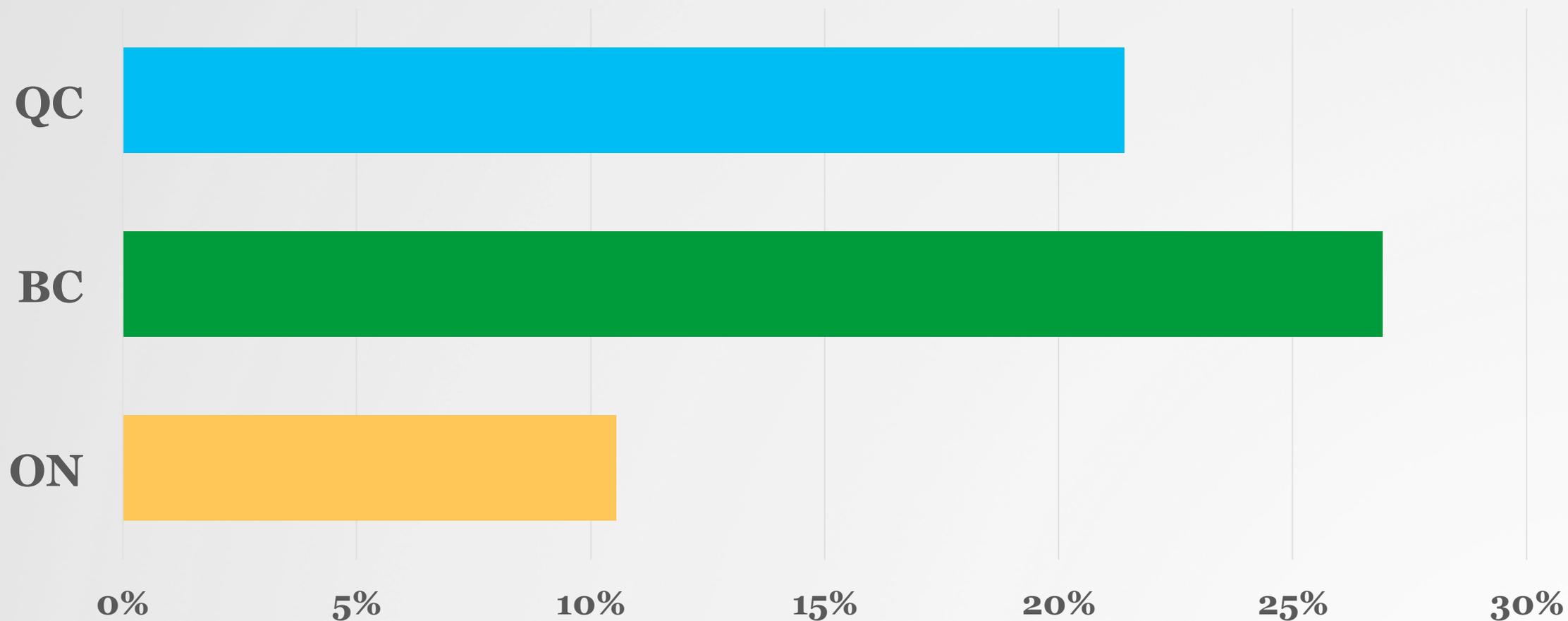
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Mrs. Gvy

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Rate of growth in health spending, April-June 2020



* Quebec spending includes health and social services

Sources: First quarter financial reports: sources: <https://www.fao-on.org/web/default/files/publications/FA2009%20Expenditure%20Monitor%20Q1/Expenditure-Monitor-2020-21-Q1-EN.pdf> <https://www2.gov.bc.ca/a>

On stay-at-home orders

- “We wanted to make sure that the modelling was actually showing up in our hospitals.”
— Sylvia Jones, April 6



On paid sick days

- “This will save lives.”
—Monte McNaughton, April 28

On re-opening businesses

- “We’ll find that happy balance.”
- Doug Ford, October 30



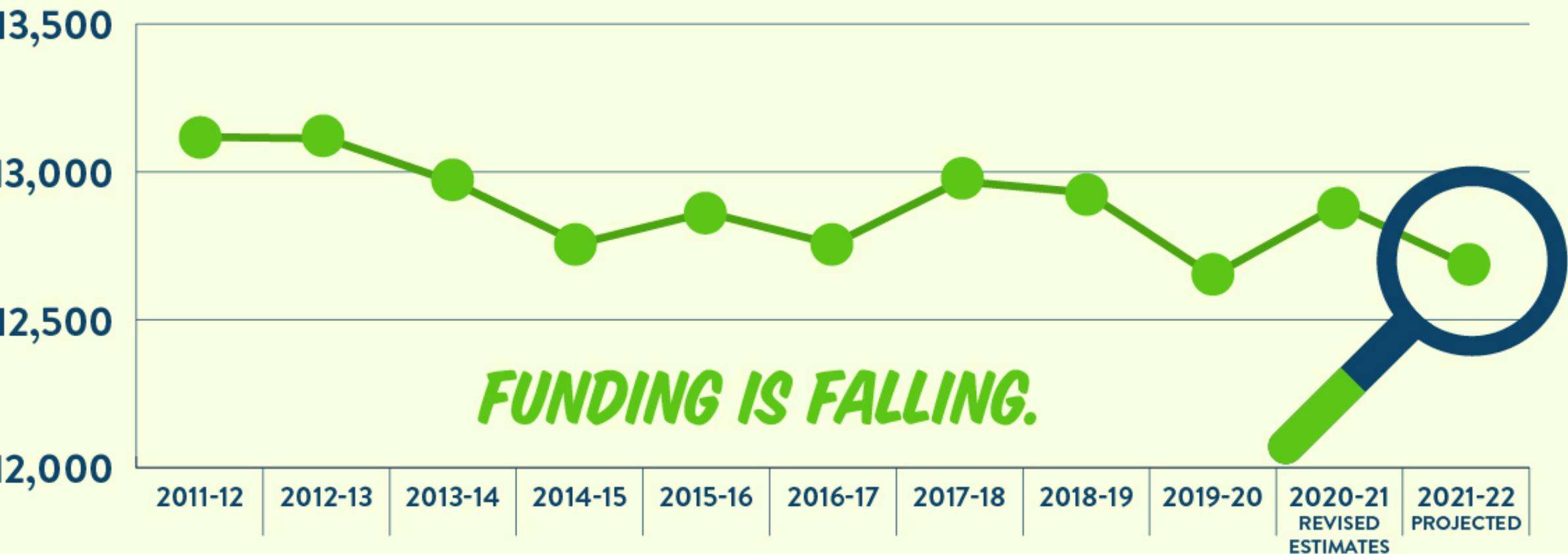
On schools

- “Our government is investing more in public education than any government in Ontario history.”
- Stephen Lecce, May 5



GRANTS FOR STUDENT NEEDS (ONTARIO):

GSN PER STUDENT IN 2021 DOLLARS



SOURCES: Ontario Expenditure Estimates, Statistics Canada Table 18-10-0004-01, and author's calculations.



CCPA

CANADIAN CENTRE
for POLICY ALTERNATIVES
ONTARIO OFFICE



Ricardo Tranjan,
CCPA Ontario

Public education

- From March to December 2020, school boards hired 6,706 staff across the province
- 46% of the funding for these hires came from school boards themselves, and some came from the federal government; the province paid about one-third of the total cost
- In the 2021-22 budget, the province essentially declared the pandemic over in education, budgeting just \$59 million for “COVID-19 Time-Limited Funding”— down from \$1.573 billion spent in 2020-21

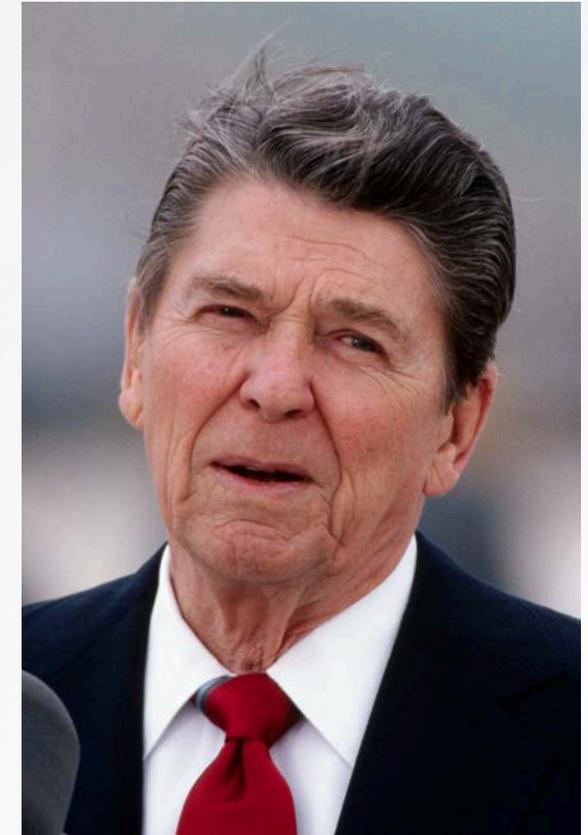
Priorities

- In October, the Ford government gave developers the green light to pave over important wetlands near Lake Ontario
- In November, it passed a bill to shield private long-term care operators from legal liability for the deaths of residents.
- In December, the premier blasted the federal carbon tax as “the worst thing you could ever see” — even though 45 Ontarians died from COVID-19 that day.

Doug Ford doesn't believe in government – and that explains a lot

RR

By **Randy Robinson** Contributor
Wed., Jan. 13, 2021 | 3 min. read



The plan

1. Blame the deficit

The plan

1. Blame the deficit
2. Cut taxes to make the deficit worse

Program expense per capita, by province

■ Program expenses — Rest of Canada Avg.



Source: Financial Accountability Office of Ontario

The plan

1. Blame the deficit
2. Cut taxes to make the deficit worse
3. Cut public services to reduce the deficit

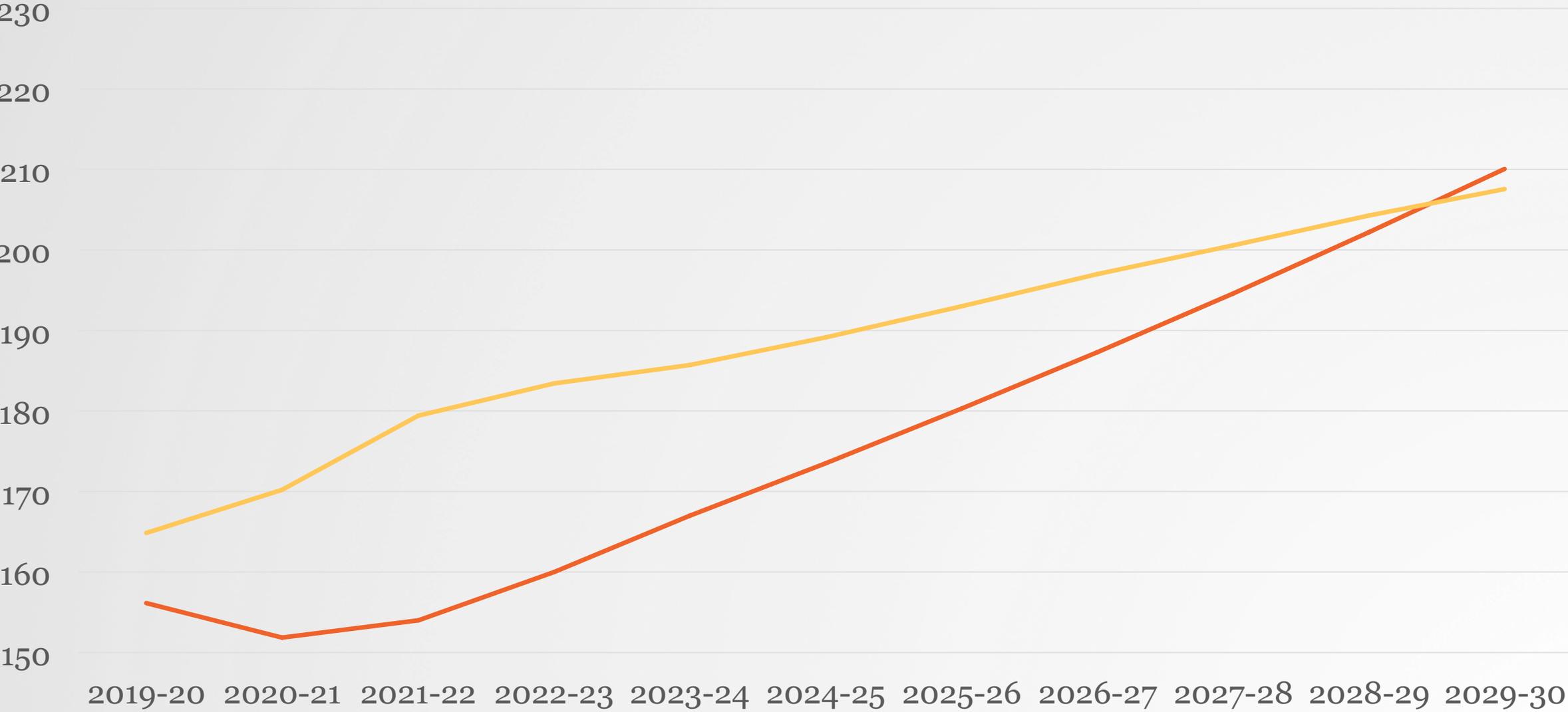
The plan

1. Blame the deficit
2. Cut taxes to make the deficit worse
3. Cut public services to reduce the deficit.
4. Use deteriorating service quality to boost privatization.

The plan

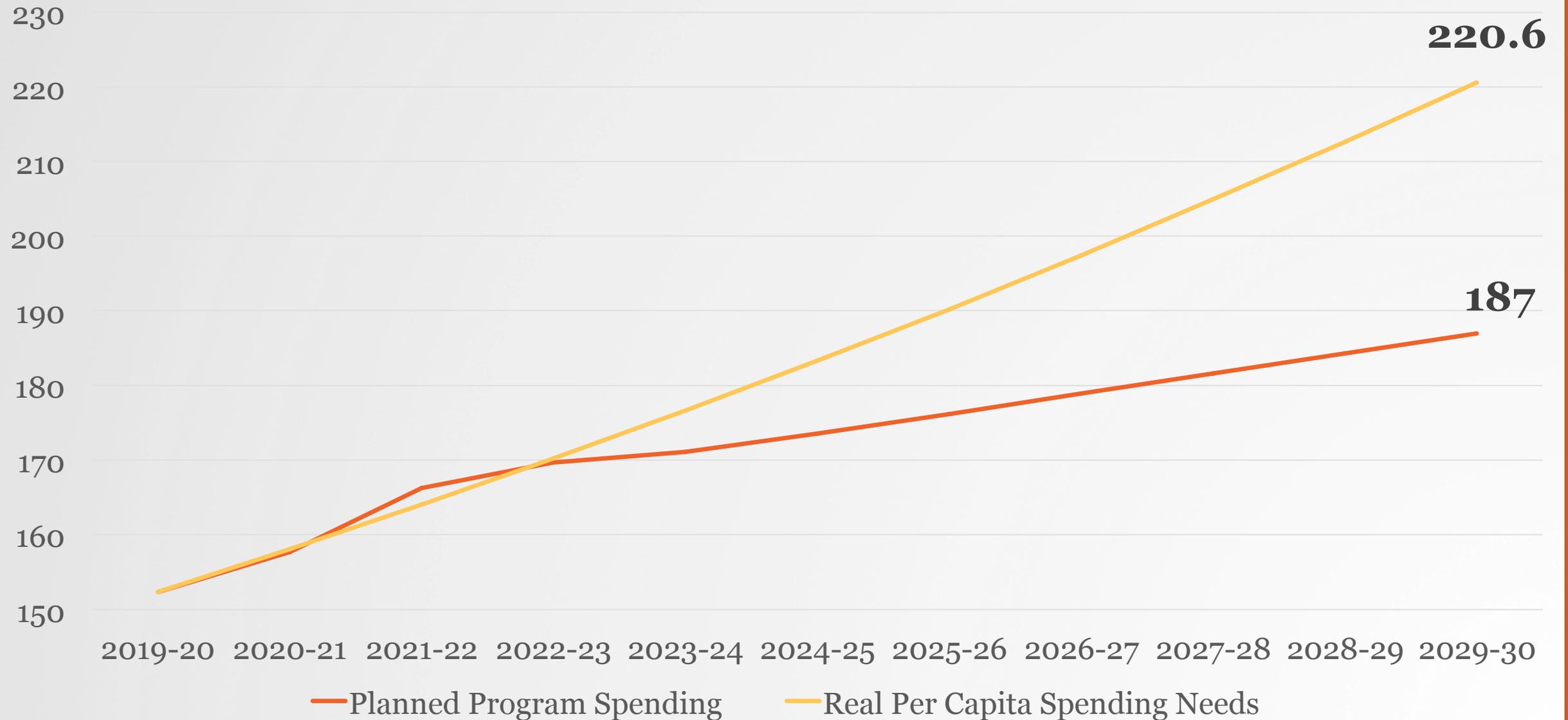
1. Blame the deficit
2. Cut taxes to make the deficit worse
3. Cut public services to reduce the deficit.
4. Use deteriorating service quality to boost privatization.
5. Pretend you're relying on growth to reduce the deficit.

The decoy: Revenue vs. Spending (\$billions)



— Revenue — Total Spending Including Interest on Debt

Ontario Spending: Planned vs. Real Per Capita Needs (\$billions)



The plan

1. Blame the deficit
2. Cut taxes to make the deficit worse
3. Cut public services to reduce the deficit.
4. Use deteriorating service quality to boost privatization.
5. Pretend you're relying on growth to reduce the deficit.
- 6. Focus on Tim Hortons, the Leafs, and McDonalds's while ignoring poverty, housing, inequality, and the environment**



There must be an alternative...



Contact us!

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- www.policyalternatives.ca