Canada’s parties vie for votes with phony “affordability” pledges amid soaring levels of social inequality and poverty

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The mainstream parties contesting Canada’s April 28 federal election have been compelled to make a show of addressing the horrendous cost-of-living crisis facing millions of workers across the country. But under conditions of exploding income inequality, the rapid spread of poverty and homelessness, and inflation and high interest-rate driven inflation, the Liberals, Conservatives and New Democrats (NDP) are offering token “affordability” measures that don’t even amount to a Band-Aid for the social catastrophe they are all complicit in creating.

The former central banker Mark Carney, who has made a career out of protecting the wealth of billionaires, has promised a $400 tax cut for working people, while abandoning a capital gains tax increase on businesses and high-income-earners that Justin Trudeau, his predecessor as Liberal prime minister, touted as a means of lessening social inequality. Carney has also promised that he would “unleash the power of public-private co-operation” to double the number of housing units built annually to 500,000.

Tory leader Pierre Poilievre is promising a tax cut twice the size of Carney’s, but what he is offering in one hand in the name of “affordability” will be more than taken way in the other, as he makes working people pay for it through social spending cuts.

NDP leader Jagmeet Singh has committed that his government would approve the building of 100,000 rent-controlled units on publicly held Crown land by 2035, less than the proverbial drop in the bucket. The NDP has also pledged to “protect families and make food affordable again.” Noting that the cost of cooking oil is up 75 percent, pasta 43 percent and infant formula 30 percent since 2020, Singh asserted that a social democrat-led government would put an emergency cap on food prices and tax the windfall profits of grocery chains.

None of the promises made by the major parties can be taken at face value. They are all subordinated to the imperative to impose a massive rise in military spending, with all agreed that tens of billions in additional funds must be redirected to preparing for war in the coming years. Given that there are no proposals on the table for substantial tax hikes for corporate Canada and the wealthy, these additional funds can only come from sweeping cuts to public spending or an increase in government borrowing, which ultimately translates into further social spending cuts further down the line.

The vast gulf separating the corporate-controlled politicians and the hollow promises they announce to make life more “affordable” for the broad masses of workers was underscored by a recent survey showing that 50 percent of Canadians are $200 or less away from being unable to keep up with their monthly bills. On the other hand, the country’s top-paid CEOs have been enjoying a succession of record setting years for combined personal compensation.

According to the Canadian Centre for Policy Alternatives (CCPA) 2023 saw the third largest yearly payout to the 100 highest-paid CEOs in Canada since the organization began compiling the data in 2007. With average earnings for the top 100 CEOs in 2023 of $13.2 million, only 2021 and 2022 saw higher rates of plunder in what has continued to be a long-term trend of the widening gap between the average worker’s pay and that of CEOs.

The CCPA report, entitled “Company Men,” notes that these business tycoons took full advantage of the inflationary atmosphere following the eruption of the COVID-19 pandemic and the US-NATO war on Russia in Ukraine. Big Business grabbed the once in a generation chance to raise prices and executive compensation to unprecedented levels in 2021 and 2022. Those years saw the average pay of the 100 highest-paid CEOs top $14 million for the first time ever in Canada.

The report, authored by David Macdonald, also notes that corporate profit margins have remained unexpectedly high, especially in the non-financial sector. Average margins retreated to some degree in 2023 from their recent highs—which were bolstered by the massive $650 billion bailout for Bay Street and the major corporations orchestrated early on in the pandemic by the Liberal government with the support of the NDP and trade unions—but maintained a rate of 10 percent or more into 2023.

Even after paying higher costs for a couple of years due to 40-year-high inflation, corporations were extracting far higher rates of profit than before the pandemic. As Macdonald states in his report, “This isn’t normal. Before the pandemic, corporations only hit margins that high in an odd quarter. Now they appear to be here to stay.” CEO pay and bonuses are justified on achieving profitability goals and successive years of fleecing consumers have emboldened executives to demand an ever greater share of the booty.

Contrast this to a recent report by the insolvency firm MNP, which relied on Ipsos polling of more than 2,000 Canadian adults in December 2024. It found that 50 percent of those polled in the last quarter of the year felt they were $200 or less away from being unable to pay all their bills and debt obligations in a month—up 8 percentage points from Ipsos' previous poll.

To calculate the MNP Debt Index, those polled were asked to rate their financial health on a scale of excellent to poor. While the personal debt outlook regularly translates to a number in the mid-20s, the most recent index fell to 8—a drop of 12 percentage points—the lowest since the indicator was introduced in 2017.

Additionally, the poll found that fear of someone in the household losing their job rose to 41 percent, another record. And 51 percent believed they will have to take on more debt just to cover living expenses.

According to the CCPA report, in 2023 the top-paid CEOs had already taken in the average worker's income of $62,661 on January 2 at 10:54 a.m.—the first working day of the year. And while many Canadians would have had to make ends meet on a provincial minimum wage of roughly $15 an hour, the 100th CEO on their list of top-paid, who pocketed $6.9 million in 2023, received the equivalent of $3,255 an hour.

The report notes that the ratio of the top-paid CEOs' pay compared to the average worker dropped slightly in 2023 compared to a year earlier. However, the trend has been upward for at least 25 years. And as workers were corralled back to their jobs in unsafe conditions in 2021 and 2022 during some of the deadliest surges of the ongoing COVID-19 pandemic, CEOs ratcheted up ruthless exploitation with the full backing of governments at all levels to squeeze the game that was already rigged heavily in their favour. The ratio of worker to CEO pay rose to a record of more than 240 times, before falling back slightly in 2023 to 210 times. This figure is still more than double the 1998 ratio of 104 times.

The CCPA's "Company Men" also goes into great detail about how CEOs are paid and how that mix varies according to conditions both within their own industries and the regulatory and tax regimes that govern them. The top-paid CEOs do not receive the bulk of their compensation in the form of a regular salary (which in 2023 was an average of $1.3 million) but through a variety of potential bonuses that are meant to reflect company performance. These include—again on average for 2023—cash bonuses of $2.3 million, stock options of $2 million and share awards of $6.5 million.

This "variable compensation" or "performance-based compensation" is supposed to be based on achieving company performance goals, such as higher profits and stock price and/or profit margins. But as the report notes, these criteria can be very flexible, such as in 2020 when corporate performance plunged due to lockdowns but CEOs still received their bonuses.

The standout in the list of 100 top-paid CEOs is GFL Environmental Inc. founder and chief executive Patrick Dovigi who "earned" $68.5 million in 2023. His pay exceeds by such a margin even the already unjustifiable average of $13.2 million that two major proxy advisory firms recommended that shareholders object to the outrageous lucre in the spring of 2024. Institutional Shareholder Services (ISS) noted that Dovigi's pay increased by 307 percent from 2022 and was substantially higher than his counterparts. Illustrating Macdonald's observation that compensation doesn't necessarily reflect performance, ISS also noted that GFL shareholder returns "underperformed peers on a one-year and three-year basis."

A recent online job search reveals that GFL, which grew out of the push to privatize municipal waste collection, is offering drivers a starting rate of $25.50 an hour in the Greater Toronto Area where the living wage, or what is considered to be the absolute floor for a decent standard of living, is $26 an hour.

This case illustrates the complicity of the political establishment, whose representatives now claim to be moved to resolve the "affordability crisis," in the vast enrichment of Canada's wealthy elite over the past four decades. The systematic privatization of public services, opening up new areas of the economy for corporate profiteering and handouts of public money to corporate executives through subsidies and corporate tax cuts are policies that governments of all political stripes have pursued with gusto.

The alliance between the trade unions, Liberals and NDP, which has been central to keeping Canada's traditional party of government in power for almost a decade, has also smothered working class opposition to decades of austerity and concession-filled contracts, facilitating the vast transfer of wealth from the bottom to the top that finds expression in the latest CCPA report. Another indication of the devastating impact this period has had on working class living standards was last year's reports from Statistics Canada revealing the highest levels of income inequality on record.

As is to be expected from the CCPA, an institution with close ties to the union bureaucracy and NDP, it has no viable program to offer workers looking for a way to overturn the horrendous levels of social inequality and poverty in Canada. The report hails the "value of Canadian labour market institutions," i.e., the trade unions, because workers' saw an average real-wage increase during 2023 of around 6 percent.

Even if one sets aside the wage freezes imposed for many workers by the unions during the first two years of the pandemic, a 6 percent increase for the "average" worker falls well short of any pay rise, real or otherwise, given double-digit inflation for basic foodstuffs and skyrocketing housing prices.

The rise in personal debt levels, the shocking increase in the number of people relying on food banks to survive and soaring homelessness across the country also refute the report's portrayal of a union-led fightback and its claim that the desperate social conditions facing workers can be resolved within the framework of the capitalist profit system.