

CHARTING A NEW PATH FOR CANADA'S ECONOMY



Canada is navigating a profound economic crisis, perhaps the most challenging in its history. The old, failed economic model is ill equipped to ensure workers' interests are protected. It is an economic model designed to diminish worker power and their expectations for higher standards of living. It is a model driven by corporate greed, class division, worker disenfranchisement, wealth inequality and environmental devastation. This model of economic development has failed to protect Canadians from public health crises, from global economic shocks, and now from trade wars. The time has come to build something better—together.

The time has come for Canada to invest in itself. Federal and provincial governments must take a bold step away from reactive crisis management and toward a proactive strategy for long-term economic stability. This means building a more self-sustaining, and resilient economy that is primed to build big things, while protecting and advancing workers' rights and prioritizing equity, public health, sustainability and good, union jobs. This economy-building must be done in collaboration with workers, communities, industry stakeholders, and Indigenous peoples. Meaningful social dialogue must be the foundation of any serious economic development plan.

It's time to be bold, ambitious and courageous as a country - the ninth largest economy on earth. It's time to chart a new path for Canada's economy.



An extraordinary period of economic uncertainty

Canadian workers are confronting an extraordinary period of economic uncertainty—arguably the most precarious moment in generations. At the centre of this storm is an intensifying, U.S.-provoked global trade war, directly threatening as many as two million export-dependent jobs in Canada. These include direct jobs in critical industries such as automotive, forestry, aluminum, steel, energy, aerospace, as well as countless others in interrelated industrial sectors. The livelihoods of working Canadians in these trade-exposed sectors have long rested on unstable ground, shaped by the rules of a global trading system that has for decades prioritized capital mobility over worker fairness. Now, with U.S. President Donald Trump provoking aggressive trade action, that fragile balance is being exposed and exploited.

Trump's tariff-driven trade attacks—many of which are intended to be permanent, punitive, and deeply ideological—are having a disproportionate impact on Canada. From sweeping tariffs on Canadian exports to open threats of annexation, these acts have touched a nerve in the national consciousness and elicited a strong response from Canadians. Canadians have responded to Trump's threats with their 'Elbow's Up', many refusing to purchase U.S.-made goods, or travel to U.S. destinations. Amid these acts of popular resistance, what's become clear is that Canada's overdependence on the U.S. is a major vulnerability. Our economic success—built so heavily on access to the American market—is now in jeopardy. With Canadian exports to the U.S. accounting for roughly one-third of our entire GDP, the stakes couldn't be higher.

The fallout from this ongoing trade conflict is already being felt. Plants are scaling back operations. Investment decisions are being delayed. Some employers have begun moving equipment, machinery and work to the U.S., in a brazen attempt to exploit the political moment or kowtow to the U.S. administration. Communities that rely on trade-exposed industries are bracing for the worst. And despite the friendly words of progressive U.S. politicians, civil society leaders and cross-border allies, Canadians must reckon with the reality that our relationship with the U.S. has fundamentally and permanently changed.

Charting a New Path for Canada

Canada must respond to these persistent U.S. threats with strength, purpose, and a renewed sense of determination. And it must do so with the interests of working people—those most affected—at the heart of its strategy.

Canada's political leaders must also be held to account for delivering results. The recently elected Mark Carney government has expressed a commitment to reshaping Canada's economy, signaling its intent to pursue large-scale, nation-building projects and by advancing a 'Buy-Canadian' agenda, to both buy more of what we build at home and build more of what we buy. This is welcome news and a long-overdue shift in national ambition. But it must go further. It must be backed by a well-defined strategy, investment commitments, legislation, and – ultimately – results. It must move Canada closer toward our sustainable development goals, and advance Reconciliation.



Of course, a full economic decoupling from the U.S. is neither desirable nor feasible. Canada must negotiate an end to this harmful trade war to fully protect Canadian jobs and strategic sectors. This remains a top priority. But the time has come to stop waiting for Washington to determine our future.

The Case for Industrial Strategy

At Unifor's 2023 Canadian Council, delegates unanimously passed a recommendation calling for comprehensive, government-led industrial strategies. These strategies must be rooted in democratic consultation and social dialogue, driven by the needs of workers and communities, and aligned with Canada's social and environmental goals.

This call is a direct response to four decades of economic mismanagement. Since the 1980s, successive Canadian governments—regardless of party stripe—have embraced a neoliberal, free-market approach to economic development. They've handed billions of dollars in public funds to corporations with little oversight or accountability. They've slashed taxes on capital, deregulated industries, and gutted public ownership. They've enabled a policy program of free trade and corporate-led globalization, that has resulted in greater dependence and deep integration with foreign markets – like the U.S. – for national prosperity.



The consequences of this approach are plain to see:

- Shareholders have been enriched, and workers are struggling to hold on to the purchasing power they have. Private corporate profits soared, capturing record shares of national income.
- Foreign ownership of Canadian assets has steadily risen, limiting public control over key sectors.
- Income inequality reached record highs, while support systems like Employment Insurance have eroded.
- Outsourcing, insecure work, and less unionization mean a growing share of the population is unable to make ends meet every month.
- Privatization of essential services has raised costs and undermined access for citizens in need.

Canada's economy is underperforming. Despite its vast land, abundant resources, clean energy capacity, world-class workforce, stable democracy and growing, diverse population, Canada lags far behind its peers in industrial growth and productivity. Canada is not living up to its potential—and this is not an accident. It is the direct result of bad policy choices.

Comprehensive, government-led industrial strategies are not a gimmick, or the fantasy of progressive economists. Instead, they represent a coordinated, planned approach to economic production that prioritizes stakeholder participation, including all levels of government, workers and their unions, local communities, and Indigenous people. Industrial strategies are built on accountability and transparency, since all good policy requires measurable outcomes, and a clear goal for what success looks like. And of course, industrial strategies require adequate resources and regulatory tools, where investments come with guardrails, clear objectives, and a rational plan for success.

Canada's current economic system, focused heavily on shareholder enrichment, unchecked corporate power and increasingly impotent government, is broken. Comprehensive, government-led industrial strategies represent one new path forward for a more inclusive, sustainable economy that leaves no one behind.

Rebuilding the Economy, Resetting Priorities

Unifor has been at the forefront of political and economic advocacy on behalf of workers. At its inception, the union has championed an alternative form of economic development, rooted in workplace democracy and expressed through worker struggle and social activism. Through public campaigns, lobbying efforts and detailed policy proposals, the union has consistently called on governments to play a more active role in the economy.

Unifor's "Build Back Better" platform, originally developed in response to the COVID-19 pandemic, outlines a roadmap for how governments can rebuild stronger, fairer economies. The pandemic laid bare the dangers of excessive globalization and overreliance on vulnerable international supply chains. Now, the U.S. tariff war has brought those same dangers into sharp focus once again.

Advancing this work, and formulating industrial strategies, has taken on a new sense of urgency in this trade war. In response to U.S. tariffs, Unifor has published a series of sector-specific statements that detail what must be done to protect and grow key areas of the economy.



These include:

- [Aerospace](#)
- [Aviation](#)
- [Fisheries](#)
- [Health Care, Education and Social Services](#)
- [Marine](#)
- [Mining](#)
- [Retail](#)
- [Telecommunications](#)
- [Auto](#)
- [Energy](#)
- [Forestry](#)
- [Hospitality & Gaming](#)
- [Media](#)
- [Rail](#)
- [Road Transportation](#)

Each of these strategies is grounded in a vision of a more secure and equitable economy—one where public interest and democratic control take precedence over short-term profit motives.

A New Economic Vision for Canada

Canadians want and deserve better. The country is at a turning point, and the next steps will define its economic future for generations.

Canada must respond forcefully to Trump's renewed trade aggression but cannot stop there. This is a moment to reset priorities, redefine what a strong and fair economy looks like, and put workers and communities at the heart of that transformation.



A new economic vision for Canada must include:

- **Defending Canada's National Interest:** Government must adopt a more aggressive posture to defend Canadian industries and jobs against unfair foreign trade practices. This means holding corporations to account. Unifor will advance a campaign to ensure governments use every tool at their disposal to support Canada's economic development through Buy Canadian policies, penalize firms that act against Canada's national economic interest and ensure companies that sell in Canada also invest in Canada.
- **Developing Democratic Industrial Strategies:** Guided by real dialogue with workers and public stakeholders, these strategies must invest in industrial self-sufficiency, build up strategic sectors and production capacity, and anchor jobs in communities. Unifor will aggressively pursue the launch of formal, sector-wide strategy tables across major sectors, tasked with designing and delivering ambitious, national industrial development programs.
- **Promoting Good Union Jobs:** Good union jobs are the backbone of a fair and resilient economy, and they are one of the best ways to ensure that all Canadians benefit fairly from economic activity and production. Public funding and contracts must be tied to labour standards, local benefits, and job security. Federal and Provincial laws must enable union certification and promote free collective bargaining. Unifor will advocate for strong labour rights and union conditions in future government contracts. Unifor will also actively campaign for the improvement of provincial and federal labour regulations, to support good jobs, high wages and no barriers to unionization.

- **Pursuing a Fair-Trade Agenda:** Canada must move away from blind allegiance to free trade and instead negotiate trade arrangements that prioritize human rights, climate responsibility, and economic justice. This includes reforms to the Canada-U.S.-Mexico Agreement (CUSMA) during its forthcoming six-year review. Unifor will actively oppose any trade agreements that privilege investors over workers and will undertake a national mobilization to defend Canada's interest in the upcoming CUSMA review.
- **Investing in Public Services and Universal Programs:** Strong public services reduce inequality and foster economic resilience. Governments must expand—not contract—Canada's social safety net. Unifor will campaign to defend and expand the scope of public services in Canada as a key feature of a forward-facing economic development program. In turn, Unifor will aggressively oppose efforts by government to privatize public services.
- **Enabling Canadian Ownership and Control:** Strategic assets, such as vital infrastructure, the broadcast and digital realm, and critical natural resources, should remain in Canadian hands. Government must empower domestic firms, workers, and communities to shape the future of our economy. Unifor will pursue a strategy of Canadian government as well as First Nations, Metis and Inuit peoples, ownership, control and democratic management of critical national industries, programs and resources.
- **Building Skills and Fostering Security for the Future Economy:** Building a more resilient, self-reliant and sustainable economy will require an “all hands-on deck” approach. Canada must invest in skills development to adequately train workers, bring traditionally excluded workers into the workforce, and exercise greater management over new technologies, including artificial intelligence, among other workplace innovations. Unifor will campaign for progressive changes to Canada's Employment Insurance program, operating within sector-wide industrial strategies that account for workplace transitions, future-skills training and more robust labour market planning. Unifor will also initiate and lead a worker-led conversation on artificial intelligence and new technologies in Canada.

What Canada needs now is to imagine a future beyond the current crisis. While it is urgent to respond to the economic threats posed by Trump, this vision goes well beyond. It's about building an economy that reflects who we are and what we believe in. An economy rooted in solidarity, sustainability, and social justice. An economy built for people—not just profits.

