



# POLICY BRIEF

## March 2021

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### 1. QUICK HITS

#### PANDEMIC POLITICS

The politics of the pandemic continue to careen widely, with the federal Liberal government's [popularity rising](#) in direct proportion to recent good news on expected vaccination supply. And notwithstanding various criticisms, there has been similar optimism inside Ontario in reaction to [Phase 2 roll-out plans](#) announced last Friday (including essential workers in the agri-food sector). We expect a continuation of such heightened politics inside the pandemic context as federal election speculation mounts, and a narrowing of the Ontario timeline for the coming 2022 election.

Earlier this week, citing continued assessment of the economic and health impact of the pandemic, the Federal government indicated that [the budget will be delayed](#) for several more weeks. This is unusual, both historically and within similar advanced countries in the G7. In Ontario the political landscape also remains turbulent. Ontario's 2021 budget is scheduled for the 24th of this month, and politics continues almost like normal. Take the Greenbelt for example. The government's proposed 413 highway development coincided with an (unrelated) proposal to [expand the protected lands](#). But opposition to the highway continues to be [fierce](#). What has been lost inside the public debate,

however, are some significant issues in desperate need of attention; including frank conversations about [housing and population growth pressures](#) to ongoing frustrations with the continued [difficulty of building big things](#) like infrastructure. Aside from the political sabre rattling inherent in debates around highways and [greenspaces](#), we can't lose sight of the honest discussions needed on how Canada and Ontario will fuel economic growth in the post-pandemic environment.

### **FEDERAL FOOD POLICY ADVISORY COUNCIL**

On February 19th, Minister Bibeau announced the creation of the Canadian [Food Policy Advisory Council](#). The council and its mandate are described as, “recognizing that greater collaboration is essential to make meaningful progress on complex and systemic food issues... the Food Policy Advisory Council will be... a central piece of the Food Policy for Canada. This multidisciplinary group has the expertise and lived experience to bring diverse social, environmental, health and economic perspectives to the table to help address food system challenges and opportunities of today and into the future”.

### **PRESIDENT BIDEN MEETS THE PM**

On February 23rd, US President Biden held his [first foreign leader's meeting](#) (virtually) with Prime Minister Trudeau, which included respective cabinet representatives from both governments. The event was followed by the joint release of [The Roadmap for a Renewed US-Canada Partnership](#), a blueprint of common priorities on which the two governments agreed to collaborate, including: combating COVID-19, economic recovery, climate change, social justice, security, and promoting global alliances. As follow-up, US Secretary of State Blinken held a virtual meeting with Prime Minister Trudeau and Foreign Minister Garneau on February 26th to begin putting the bilateral partnership roadmap into action.

*“...ASIDE FROM THE POLITICAL SABRE RATTLING INHERENT IN DEBATES AROUND HIGHWAYS AND GREENSPACES, WE CAN'T LOSE SIGHT OF THE HONEST DISCUSSIONS NEEDED ON HOW CANADA AND ONTARIO WILL FUEL ECONOMIC GROWTH IN THE POST-PANDEMIC ENVIRONMENT.”*

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We've written previously about the dangers of sectarianism - most easily personified on social media. Worse, such narrowcasting of exposure to ideas and perspectives risks missing the opportunities inherent in the virtuous cycle that comes from the collision of ideas in empathetic engagement. But - as one might agree with Marx's critique of capitalism - it hardly translates into a productive agenda for action.

As such, we've been thinking about how to move beyond words and towards real change. The result: new connections - building bridges. The idea is much like the cognitive science of constant growth for a healthy brain - building new neural networks and challenging the brain like any muscle in the body. We are setting out to embrace new connections and build new bridges.

Below is an edited transcript of our conversation with Jaya James. We found her insights into change – both personal and systemic – particularly noteworthy.

### INTERVIEW WITH JAYA JAMES

[Jaya James](#) is the Executive Director of [Hope House Guelph](#). She is a graduate of the University of Guelph with a degree in economics and finance. She has worked in the private, public and not-for-profit sectors including a number of years at the Ontario Ministry of Agriculture, Food and Rural Affairs with a particular focus on local food policy and legislation. Michael Keegan and Jaya spoke on March 5<sup>th</sup>, 2021.

**MK - Thank you for doing this. I appreciate you willing to begin this experiment with me.**

JJ - My pleasure – I took some time to do some reading and think about this conversation. An [article](#) in one of your previous updates was instructive on how in a time of great human misery, we are also seeing unprecedented economic growth, and massive growth in personal savings, masking the impact of a significant wage decline for many parts of our society. This U-shape experience, where one demographic experiences a substantial income decline and another group has a substantial income increase, has never happened in history before. It really got me thinking about politics and policy in a post-pandemic landscape.

**MK - Change, the future of work and the future economy are things we are quite interested in as well - there's a really complicated policy landscape in front of us but before we go too far on that, tell us about Hope House?**

JJ - Our mandate is to help people gain a greater level of independence and enable them to reach their full potential. We always say that the opposite of poverty is community. And so, we look at supporting individuals from five different aspects: the physical, the financial, the emotional, the relational and the spiritual – and the spiritual is this idea that everybody needs a sense of purpose and meaning in their life.

**MK - What's been your experience at Hope House through this crisis?**

JJ - The pandemic has been a kick in the pants for, I think, many parts of our society. It really forced us to work more closely together. All of a sudden there is no choice - we have to figure

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out how to adapt and coordinate our efforts and in very short periods of time. For example, before the pandemic we worked with a number of partners, such as the Drop-In Centre and shelters in Guelph, to provide in-person food distribution network. When the pandemic hit, and we had to enforce social distancing requirements, our physical distribution network was not possible. We had to adapt by quickly getting into the grocery distribution game. So, we went from no groceries being delivered to households to more than 400 grocery orders a month – something completely unthinkable before the pandemic.

We also saw the private sector very quickly asking “how can we help”? We saw companies like Linamar, step up and say, let’s use our drivers and idle transportation assets to distribute food. The reason we were able to switch to grocery delivery was because we had a fleet of Linamar drivers - they did all our deliveries and then taught us how to do it. That taught us a set of skills and now we will provide that service long after the pandemic subsides.

### **MK - Are there lessons or changes from the pandemic that are instructive for a better post-pandemic community?**

JJ - Working together to solve problems – I hope to see that community entrepreneurialism endure. But we have to make the decision to have it live on. It’s been inspiring to see people stretch beyond themselves because of what the crises demanded of them. There was no option. We can solidify or normalize those activities, but we actually have to make the effort to do it. The way we as a people direct our governments to create laws and systems –

we can direct them to solidify certain things we would like to see continued.

As a society we’re going to have to make some really hard decisions. And I think one of the priorities that we need to look at is all the social supports that have been built on top of each other over time; they are just piecemeal, and over time, governments have tried to integrate and have them work more closely together. But we know that they are inadequate because when we had this major crisis, governments very rapidly brought in new programs. If now is not the time to look at overhauling our social support system I don’t know when that time would be. For example, I’d say a more universal social support rather than all these different programs – such as a basic income.

Can we, at the same time, also start to address some of the inequities that previous iterations of our programs have created, from a wealth accumulation standpoint; not that we want to eliminate wealth but rather address the real inequities on how wealth has accumulated historically.

### **MK - What would happen right now to make what you do better, to more effectively solve the problems that you’re solving?**

I believe, every human wants to belong to a community, I think that’s the key piece. And I think that different people to varying degrees, feel that they belong. It’s when people don’t belong to a community that’s when we see a lot of the self-destructive behaviors. There is a saying that if you don’t feel the warmth of the community by being part of the community, you’ll burn the community down to feel its warmth.

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### **MK - If you had a magic wand, what would you do?**

JJ - My dream is that at the end of this crisis that we all recognize how close all of us are to that edge, to that margin. And we would be highly motivated to make sure that everyone had a spot to belong, or a place within the community.

The first thing I would ask of people is take care of your family, friends and neighbors, because everybody's struggling in a different way and they'd much prefer that support from someone they know then from someone they don't.

The next thing I would ask of people is to find something that you are passionate about and that you love and provide your time and your financial resources to that cause. Humans are complex and dynamic and therefore, we have a real wide range of needs. Volunteering is one of the few spots where you can choose what you love, and really focus your energy there, and that overall is beneficial not only to you as an individual, but also as a society as a whole.

And then the last thing I think is to look at how we have structured things: what are we going to do differently? What's the evolving role of government - this is a very interesting question I spent a lot of time pondering. Our constitution says the role of our government is peace, order and good government - we really need to think about what we mean by good government; what is it that we're trying to achieve? The pandemic has caused this structural shift in our economy. And it's not going to go back to what it was, it will still morph - it's not going to

stay exactly where it is right now - but we have had this massive structural shift, and now is a chance to do a significant policy shift as well - a policy and programmatic shift.

### **MK - That sounds like another discussion, but at its core it sounds like you're talking about doing things differently, bringing us back to the change question. You have spoken to me previously about a really profound set of ideas around individual change...**

JJ - Something that became really apparent to me when I started working in poverty relief is that change takes energy. I know that's not revolutionary but changing habits, changing behaviors, taking a different approach - even if you're excited about it - it takes energy. What I see a lot of with our existing systems is that in order for people who are at the margins to survive, they spend pretty much all their energy trying to access resources for survival. And as a result, there is no energy left to actually look at big fundamental personal change.

If we expect people to change, we need to create the space for them to make that change and so essentially we need to allow them, and provide them, with an energy savings, I guess you could say. And that can only happen by changing our systems of support. Those systems right now expect you to go to multiple spots to get the food that you need, to go to multiple different government agencies to get access to your dental, mental health, eye care or medical services. And so all that's taking up the time and resources individuals need to make personal change. And I think that's where we can do some pretty impactful stuff.

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At Hope House we try to create a community hub that provides access to those things that people need to survive, whether it's directly from us, or with a partner. And we try to bring that all into one spot so that we are eliminating the time spent trying to find the resources - we're making it easier to make the connection to the resources. And what we've seen is as the stress comes off of individuals. The result: they start to make positive personal changes on their own.

The vast majority of people do not want to live on the margins, that isn't their end goal. They have dreams and things that they want, but they just don't have the capacity to go after them.

**MK - The federal government set up a food policy Advisory Council to look at the food system. What would be your advice for that Council.**

JJ - My advice: the food system is not separate from the rest of the way society operates. It's part of the whole. And if we want to look at better outcomes, like increasing equity, we are going to have to examine the values and the rules and regulations around how we have established ourselves as a country.

I think this is the hard work of good government because there'll be lots of different opinions and views of how that is to play out, and it's not going to be a simple solution. But we must start to understand how to move forward, towards a society that creates the space for everyone to belong and participate.

I think the amount of untapped resources that would be released would really blow our minds. A snapshot of what that will look like, for me, was when we I worked on a special project to help settle a large influx of Syrian refugees coming to Canada. I witnessed many different groups coming together to sponsor and support them. I got to look over applications of 800 individuals in our community who were interested in volunteering. I saw first-hand the amount of passion and diversity of knowledge that exists just within Guelph. I remember it blew my mind. And that's just a tiny snapshot of a microcosm within one community. What if we could unleash that across the nation?

If we could create spaces for participation then I think you'd see a whole raft of skills and knowledge that we don't even realize are out there becoming available to us, which would then drive progress on our economy, our communities and on our compassion for each other.

**MK - I like how you just brought that full circle; better requires us to do things differently. Thank you!**

### 3. WTO RENEWAL: NOT QUITE DEAD YET, GETTING BETTER

#### THE WTO IN BRIEF



Headquarters:	Geneva, Switzerland
Established:	January 1995
Founding Treaty:	Uruguay Round (1986-94)
Membership:	164 Members representing 98% of world trade
Budget:	SFr.\$197million (2018)
Secretariat Staff:	630
Director-General:	Ngozi Okonjo-Iweala (Nigeria)
Can. Permanent Representative to WTO:	Amb. Stephen de Boer

#### KEY FUNCTIONS:

- administer WTO trade agreements
- advance international trade negotiations
- manage trade disputes, including dispute settlement rules and processes
- monitor member trade policies
- provide technical assistance and training

In February, the World Trade Organization (WTO) made an historic choice for leadership. Dr. Okonjo-Iweala will be the first woman and first African to be appointed as Director-General (DG), taking office in March for a four first-year term (renewable thereafter).

Dr. Okonjo-Iweala's appointment comes at a critical moment in the organization's 26 year existence.

**A WTO ON LIFE SUPPORT.** The leadership vacuum was precipitated by an early and abrupt resignation announcement from the previous DG, Roberto Azevedo, in May last year. The WTO was already in chaos. The previous US Administration, predisposed against any multilateral engagement, blocked all new appointments to the WTO's Appellate Body. This move effectively stalled the organization's treaty oversight capacity, paralyzing all WTO trade dispute settlement

functions. The same US Administration also threatened to withhold its funding portion, the highest amongst WTO members at 11.5% of the overall budget.

At some point, one gets up in the morning, looks in the mirror, and says, "I'm too old for this."

After Azevedo's departure, further uncertainty plagued the WTO's search for a new DG, selected by member consensus. The EU, China, Japan and the rest of the membership eventually came together to back Dr. Okonjo-Iweala. The US, however, blocked finalization by maintaining support for a South Korean candidate.

By late 2020, epitaphs for the moribund WTO were in circulation.

However, the November 2020 US election brought a glimmer of hope. The newly elected Biden Administration quickly sought to re-engage internationally (see our Feb. 2021 Policy Brief). By early February, the US joined the rest of the WTO membership in backing Dr. Okonjo-Iweala.

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**BRIEF DG BIO.** The new DG is very accomplished. After studying economics at Harvard and earning her doctorate at MIT, Dr. Okonjo-Iweala spent 25 years at the World Bank, eventually attaining the role of Managing Director — the organization’s highest non-elected position. She also served an unprecedented two terms (in 2003-06 and 2011-15, with two different governments) as Nigeria’s finance minister. From 2016 to 2020 she chaired Gavi (Vaccine Alliance) — a public/private global health partnership that seeks to improve access to vaccines for children in poor countries.

**THE LIMITED INFLUENCE OF THE DG.** It should be noted that despite the hype, the power of DG is limited. The WTO remains a member-driven organization, which means all major decisions are made by consensus. The DG’s “power” is in the ability to coax, cajole, and arm-twist 164 member governments to support a common objective, always a monumental challenge given the wide disparity in economic, cultural and political backgrounds within the membership.

Previous WTO DGs such as Arthur Dunkel, Mike Moore, or Pascal Lamy leaned heavily on their globally respected gravitas to overcome immense challenges in launching or concluding critical multilateral trade negotiations. With WTO reform at the top of current agenda, the new DG will need to marshal a widely disparate conglomerate of trading nations — including heavy hitters (and competitors) such as the US, China, Europe, and Japan — towards a common view of what the WTO’s role should be in the modern global trading system. An uphill task, if not seemingly impossible.

**A WTO IN CRISIS.** The new DG assumes her role at a point when the institution is at its most tenuous. Ongoing global economic turbulence, the proclivity towards protectionism and nationalism, the recent Covid-19 pandemic, climate change, the advance of the internet and digital economy — all have led to a perception of the WTO as an irrelevant 1990s relic incapable of addressing the pressing issues of today, much less tomorrow.

**VICTIM OF ITS OWN SUCCESS.** The WTO was founded as a forum to advance global trade by facilitating transparency and enforcing trade rules. In this quest the WTO has been quite successful, reducing average applied tariffs to traded goods from about 15% worldwide in 1995 to below 8% today. Meanwhile, trading volumes have more than doubled.

On enforcement, the fact that WTO Appellate Body decisions have long irked the US — an economic superpower — suggests some effectiveness in upholding the rule of law over the “rule of power”.



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But a function of this success has been an increase in expectations. Tariffs have been reduced...great, but now what? What about the prevalence of non-tariff barriers? What about trade in services, finances and e-commerce? What about using trade rules to promote sustainability, or address climate change or the pandemic?

These all point to future possibilities for the institution, but also suggest an urgent need to adapt in order to remain relevant.

**VICTIM OF ITS FAILURES.** The benefits of global trade are built on taking advantage of economies of scale and regional competitive strengths. But the resulting global shifts in investment, input sourcing and supply chain restructuring has given rise to winners and losers. And the losers have lost big, with entire communities devastated as their key manufacturing or production base has relocated. As a leading proponent of globalization, the WTO has become one of the main targets of the anti-globalization movement.

Further, the collapse of the WTO Doha Round of multilateral trade talks forced members to consider more doable trade alliances. Hence subsequent conclusion of regional multilateral endeavours such as the Trans-Pacific Partnership (TPP) or the Regional Comprehensive Economic Partnership (RCEP) -- both negotiated outside the auspices of the WTO.

In terms of protectionist trade actions, there has been a rise over the past years in nationalistic orientation, leading to the imposition of new tariffs, export bans on sensitive products, arbitrary trade disruptions, and tit-for-tat trade wars.

As with its successes, these setbacks have only served to further question the ongoing relevance of the WTO.

**US ACRIMONY.** The US hard line regarding the WTO pre-dates the former US Administration. US Democrats have long criticized the WTO as a threat to US national sovereignty in the wake of successive unfavourable Appellate Body decisions. It was the Obama Administration that began the practice of blocking further appointments to the Appellate Body; the panel membership was only recently reduced to the point of inducing paralysis.

This means that although allegations of trade violations can still be taken to the WTO for adjudication, a losing side need simply to appeal a negative decision to the dark void that is now the WTO Appellate Body. Two to three years of expensive legal effort gone for naught.

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At a recent Geneva meeting, the US delegation to the WTO announced that the US would continue to block appointments to the WTO Appellate Body until “systemic concerns” were addressed. The Biden Administration’s position is consistent with the positions of US delegations over the last 16 years. Reform is critical to the future of the WTO.

**IF THE WTO DIDN’T EXIST, IT WOULD HAVE TO BE INVENTED.** Post-pandemic global economic recovery will depend on re-instilling global confidence, re-establishing stable supply chains, and supporting a resurgence of international trade flows. This means injecting predictability into how international trade is conducted. Certainly the WTO has a role to play here.

But the landscape has shifted dramatically in the recent past. Once invoked only as a response to hostile threats, a largely dormant “national security” exemption has become common justification for arbitrary trade disruptions — first by the US, and then by Saudi Arabia, India, and Russia. An expansive interpretation of “national security interests” threatens to create a wide loophole which runs counter to an open, predictable, rules-based trading environment as espoused by WTO principles.

Further, in the wake of the pandemic, governments have invested dramatically in business supports to prop up faltering economies. Governments around the world have been required to dabble in the subsidy game to varying degrees, with current politics suggesting that these supports are likely to remain, and in fact be enhanced, over the near term. Any talks focused on curbing business subsidies are unlikely to be welcome (by the developed world at any rate) at this time.

**A NEED FOR FORWARD MOMENTUM.** Beginning in March, the WTO will sit a new, very experienced and very capable DG. The next WTO Ministerial Conference (MC12) has been pushed back to the end of November 2021. New leadership and MC12 together offer an opportunity for the WTO to shape a common vision around reform and enduring relevance.

As a country dependent on trade, Canada needs a functioning WTO. Canada is not alone in this regard. The good news is that there is now a consensus amongst all members to work towards a reinvigorated WTO. But the trick will be to achieve consensus amongst the 164 members on what a WTO 2.0 should look like. Over to you, Dr. Okonjo-Iweala.

## 4. SELECTED READING LIST

### [I'm an American supporter of Canada's dairy supply management system.](#)

As former governor of Vermont, a key dairy-producing state along the Quebec border, I have followed the debate over supply management closely over the years.

*By Howard Dean. The Globe and Mail. March 5, 2021.*

### [Are Imports Bad? The Case of the Blueberry \(+ blueberry muffins\).](#)

Imports – goods produced in other countries but sold “here”... They come up in the news a lot – are they destroying jobs? Why do we allow them? Who benefits?

*By Susan Carter. Bakeconomics350. February 28, 2021.*

### [5 Pandemic Mistakes We Keep Repeating.](#)

We can learn from our failures.

*By Zeynep Tufekci. The Atlantic. February 26, 2021.*

### [Nadia Theodore Addresses the House of Commons Standing Committee on Agriculture and Agri-food.](#)

*By Nadia Theodore. Maple Leaf Foods. February 23, 2021.*

### [What will the next decade bring? Here are 20 predictions from trend forecasters.](#)

Like all predictions, these should be taken with a grain of salt ...

*By Emily Segal. The Guardian. February 15, 2021.*

### [Getting Innovative to meet net-zero targets.](#)

Creating spaces for innovators to test new business models or regulatory structures could help Canada meet its clean energy targets faster.

*By Richard Carlson, Aida Nciri. Policy Options. February 9, 2021*

### [GoFundMe CEO: Hello Congress, Americans need help and we can't do your job for you.](#)

Coronavirus surge of fundraisers on GoFundMe shows why Congress must pass emergency aid for monthly bills, restaurants, small businesses and food.

*By Tim Cadogan. USA Today. February 11, 2021.*

### [The human cost of Canada's cheap food.](#)

The temporary-foreign-worker program is built on contradictions and hypocrisy – and, eventually, it's going to collapse on us

*By John Michael McGrath. TVO. February 10, 2021.*

### [Farming industry is cutting edge, but Trudeau and O'Toole prefer to celebrate smallness.](#)

*By Sean Speer. The National Post. March 01, 2021.*