



## Challenges for Canada's Minority Liberal Government

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Prime Minister Justin Trudeau's Liberal Party of Canada (LPC) remains the largest political party in the lower chamber of federal parliament following the results of early elections in Canada. The prime minister however had counted on a majority, which would have allowed him to more easily enact LPC's key economic and social policies. In a minority government, Trudeau will be forced to search for support from among the remaining parliamentary parties. The lack of a majority may also complicate the pursuit of ambitious foreign policy to fight climate change and assume broader engagement in the Indo-Pacific and Arctic.

The early elections to federal parliament held on 20 September by a Trudeau decision resulted in a victory for the LPC. It gained 160 seats, but increased its position by only five seats, denying it a parliamentary majority of at least 170 seats. The main opposition group in the 338-member parliament remains the Conservative Party of Canada (CPC, 119 seats). Other parties constituting parliament are the Bloc Québécois (BQ, 32), New Democratic Party (NDP, 25), and Green Party (2). The populist People's Party of Canada (PPC) failed to gain any seats.

**Internal Context.** Even though support for the CPC remained similar to the governing LPC during the campaign, the opposition was unsuccessful in gaining an advantage over Trudeau's party. The ambivalence of CPC leader Erin O'Toole concerning the issue of mandatory COVID-19 vaccinations for federal workers limited support for his party. For 74% of all voters, vaccination is the key to fighting the pandemic and new variants of the SARS-CoV-2 virus. In October 2021 alone, the country recorded 1.7 million new cases of COVID-19 and about 28,000 deaths. In addition, O'Toole's position on climate change caused some of the party's electorate to support the PPC, which openly questions the climate crisis. At the same time, CPC voter objections to the sharpening pandemic restrictions, such as mandatory mask wearing and the reintroduction of lockdowns as certain levels of infection are reached, proposed by federal authorities, also shifted support to the PPC (which gained, from 1.6% in 2019 to 5.1% in this election).

Trudeau had counted on winning a majority in parliament based on high support for his efforts in fighting the pandemic, with 50% of voters approving of the LPC's strategy toward [rescuing the economy and rolling out the vaccination programme](#). Despite difficulties with vaccine deliveries in February and March 2021 up until the September elections, 79% of adult Canadians had received two doses of a vaccine. However, the prime minister's decision to hold early elections during the fourth wave of the pandemic rather than as scheduled in 2023 caused controversy: 68% of those polled and as much as 62% of LPC supporters disliked the idea.

A minority government means that Trudeau must cooperate with other parties, such as the NDP, whose progressive views concerning climate and social policies, among others, are somewhat similar to those of the LPC. The NDP will push to increase federal funding for the green transformation, including investments in new sources of renewable energy (e.g., zero-emission public transportation) with the goal of decreasing greenhouse gas (GHG) emissions. Canada is the only G7 member that saw an increase in GHG emissions between 2016 and 2019 (by 3.3%). The priority remains combating the pandemic and its consequences. Trudeau announced mandatory vaccinations for federal MPs, some federal workers, and airline and rail travellers in Canada. There exists, however, a difference of opinion among the political parties on this question, with BQ and NDP supporting the prime minister's decision, and the CPC against it. More significant for voters are economic issues. The highest inflation

since 2003 (4.4%) means that fulfilling campaign promises (e.g., investments in the public health sector) totalling CAD 78 million may be difficult for Trudeau. He plans to fund them through an increase in corporate taxes from 15% to 28%.

**Foreign Policy.** Climate issues will remain the main area of Trudeau's foreign policy activity. Maintaining Canada's image as a global leader in combating the climate crisis has added meaning in the context of its ambiguous internal climate politics. The prime minister seeks to conciliate the goal of lowering CO<sub>2</sub> emission by 40% by 2035 from the 2005 levels while also further developing the oil and natural gas sector, key to the economy (comprising 9.4% of GDP in 2019) but also generating about 25% of Canada's GHG emissions. During the [COP26 conference](#), Canada announced it will continue working with Germany on a plan to increase financing for the climate transformation in developing countries by wealthy nations (up to \$100 billion annually). In June 2021, Trudeau directed CAD 5.3 billion toward this goal.

Trudeau also seeks strengthened relations with the U.S. In January 2021, U.S. President Joe Biden blocked the completion of the continental Keystone XL oil line project. Trudeau treats this decision as an opportunity to pursue cooperation in developing innovative ecological technologies. In February 2021, the countries signed a strategic partnership concerning the electric vehicle sector. Canada will provide the U.S. critical minerals to produce batteries, with the goal of diversifying supplies away from China. The U.S. also played a critical role in resolving Trudeau's diplomatic dispute with China and in turn, in September 2021, the Chinese authorities freed two Canadians held since 2018 and sentenced on charges of spying. However, the Biden administration is pressuring the prime minister to define a strategy on China. The CPC and NDP support developing a federal government position on this question but Trudeau will seek less confrontational solutions in relations with China to avoid unnecessary consequences, mainly economic.

In addition to the U.S., cooperation in NATO will remain an important area of Canadian politics. Its participation in training missions in Ukraine and the armed forces' engagement in the NATO multinational battle group in Latvia will continue. Canada has invested about CAD 18.5 million in military infrastructure for the needs of this unit, and in June 2021, a command headquarters was opened in Riga for the Canadian military. Cooperation with NATO also will include activity in the Arctic. At the U.N. in March 2021, Russia issued claims extending its continental shelf by more than 200 nautical miles into Canada's exclusive economic zone and

others. Chinese ships transiting the Northwest Passage (NWP) are testing Canada's capabilities to maintain control over this important sea route. Trudeau has intensified bilateral cooperation with allies in the Arctic, including directing about CAD 160 million towards a common project with the U.S. to modernise NORAD headquarters. In September 2021, the Royal Canadian Navy completed its first patrol through the NWP since 1954 while the coast guard will conduct training exercises in the region with the British navy.

**New Challenges.** Trudeau will strive to broaden Canada's engagement in the Indo-Pacific. The goals are twofold, first to benefit from economic cooperation with the region's countries, and second, to decrease the reliance on imports from China (12% overall in 2020). Therefore, Trudeau declared Canada's willingness to strengthen bilateral economic ties with Japan and Indonesia, as well as improving multilateral relations with [ASEAN](#), with which he seeks a free trade agreement (aiming to increase Canada's exports to the region by about 13%).

Canada will be involved in efforts to maintain freedom of navigation in the South China Sea and to limit Chinese influence on the countries of the region. Even though Trudeau reacted evasively to Canada being left out of the [AUKUS partnership](#), he will strive to intensify bilateral and multilateral cooperation with its three members (e.g., with NATO members, the [Quad](#), and through the Five Eyes). In October 2021, the Canadian frigate *HMCS Winnipeg* trained with the U.S., UK, Japan, and New Zealand navies in the Philippine Sea and sailed through the Taiwan Strait along with an American destroyer.

**Perspectives.** Managing an ambitious and multidirectional foreign policy in the realities of a minority government will be difficult. Trudeau will be forced to concentrate on internal politics, for example, seeking compromises to remain in government and to partially achieve his campaign projects. Despite Canada expressing more interest in the Indo-Pacific region, the lack of a decisive China strategy may also disappoint the U.S., which expects strong support in its rivalry with China. However, [transatlantic politics](#) will remain stable. For Poland and the Baltic states, this means Canada will maintain its involvement in countering aggressive Russian and Belarusian policies aimed at NATO Eastern Flank members. In addition, Canada may be interested in possibilities to cooperate on climate issues, for example, in diversifying renewable energy sources with the goal of limiting dependence on fossil fuels.