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Start something.

INCLUSIECON: Where Inclusion Meets Economics

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Executive Summary

Canada's tax-and-transfer system is the single most powerful lever governments have to reduce inequality and strengthen trust in democracy—yet it is under strain. INCLUSIECON is our response: a national research initiative led by Drs. Lindsay Tedds and Gillian Petit that brings together researchers, policy practitioners, and civil society partners to tackle the structural roots of economic inequality in Canada. Traditional economic approaches—focused narrowly on efficiency and individual incentives—have struggled to address complex "wicked problems" such as eroding tax fairness, rising inequality, weakening social safety nets, and declining public trust in democratic institutions.

INCLUSIECON takes a different approach: building the institutional, methodological, and collaborative capacity needed to design inclusive, evidence-driven public policies. It brings together researchers, policy practitioners, and civil society partners to examine the two interdependent halves of Canada's tax-and-transfer system: **FACT** (Fair and Accountable Canadian Taxation), which investigates how governments raise resources fairly and transparently, and **ENABLE** (Income Security & Social Supports Reform), which examines how resources are redistributed to reduce poverty and promote inclusion.

Developed over several years with multi-level government, academic, and civil society partners, these two streams have already secured diverse funding and produced influential research. With an additional $500,000 over three years in matching support, INCLUSIECON is now poised to scale into a fully integrated national platform for systemic tax-and-transfer policy innovation and reform."

Guiding Question

How can researchers, policy practitioners, and civil society partners work together to transform Canada's tax-and-transfer system into a more fair, inclusive, and effective foundation for reducing inequality and addressing complex "wicked problems"?

Vision

As economists and policy scholars, we have seen how Canada's fragmented tax and transfer policies, designed and evaluated in isolation, have failed to keep pace with deepening inequality. Traditional economic approaches—focused narrowly on efficiency and individual incentives—have treated taxation and social supports as separate, technical exercises, often overlooking their interactions, the structural inequities they perpetuate, and the institutional dynamics that shape them.

INCLUSIECON is our response: a national initiative to transform Canada's tax-and-transfer system—the core engine of redistribution—into a more fair, inclusive, and effective foundation for shared prosperity. While taxation and transfers have long been treated as distinct policy domains, they are in fact two sides of the same coin: how governments raise resources and how they redistribute them are inseparable and must be designed and evaluated as a coherent system. By uniting researchers, policy practitioners, and civil society partners, INCLUSIECON will build the institutional, methodological, and collaborative capacity needed to reimagine this system. Our vision is a tax-and-transfer system that not only reduces poverty and inequality but also strengthens public trust and the democratic legitimacy on which effective governance depends.

Why Now?

Canada's tax-and-transfer system—the core engine through which governments reduce inequality and sustain public trust—is showing signs of strain. Economic inequality is widening, perceptions of unfairness in the tax system are growing, and social safety nets are struggling to keep pace with shifting labour markets, demographic change, and rising costs of living. These are not isolated challenges but symptoms of a deeper problem: a system built through decades of piecemeal reforms, where **tax and transfer policies have been designed and studied in**

isolation even though they are two sides of the same coin. How governments raise resources and how they redistribute them are inseparable; changes to one side inevitably shape the other.

Yet despite their deep interdependence, Canada continues to approach tax and transfer policy with short-term, siloed fixes that fail to address structural inequities. The resulting patchwork may alleviate immediate pressures but leaves underlying flaws intact—undermining public confidence in the fairness of the system and eroding trust in democratic institutions. Left unchecked, these strains risk further undermining Canadians' sense that the tax-and-transfer system is fair—a perception that is critical not only for compliance and efficiency, but for sustaining the democratic contract itself.

Momentum for change is growing. Governments are calling for evidence on the effectiveness and value of public spending, civil society organizations are mobilizing around systemic reform, and new datasets and analytical tools are becoming available. This moment presents a rare window to rebuild the tax-and-transfer system as an integrated, transparent, and equitable foundation for Canada's shared prosperity and democratic resilience.

The Need

Conventional economic frameworks are ill-suited to the complexity of Canada's tax-and-transfer system. By prioritizing efficiency and individual incentives, they have treated taxation and social supports as separate, technical domains—rarely examining how they interact as two sides of the same coin. This narrow approach often ignores structural inequities, institutional dynamics, and the lived realities of those most affected by policy decisions. It has produced policies that may appear sound in theory yet generate unintended or counterproductive outcomes in practice, eroding public confidence in the fairness of the system and trust in democratic institutions.

A key reason is that economists have traditionally worked in disciplinary silos, rarely engaging with the insights of public administration, political science, sociology, or law—fields that examine the institutional and human dimensions of policy systems. Economists also tend to work at arm's length from civil society, which limits their understanding of how policies are experienced on the ground and which communities are left behind. And too often, economic analysis stops at the design stage, with little attention to the realities of policy implementation, delivery systems, and administrative capacity.

“Good tax policy planning involves economists, lawyers, administrators, and – importantly— adequate discussion with taxpayers…” Richard M. Bird

Bird’s insight underscores a truth we have witnessed directly: that when tax and transfer policies are designed without engagement across disciplines and with civil society, they fail both in effectiveness and in legitimacy. Meeting today’s challenges requires a different kind of policy capacity: one that treats the tax-and-transfer system as an integrated whole, links rigorous evidence to institutional reform, embeds equity into evaluation, and bridges the silos separating research, policy design, implementation, and community experience. We have already begun building this capacity through a growing national research program with multiple partners and streams of funding. To meet the scale of the challenges ahead, this program must now be expanded—broadening its reach, deepening its infrastructure, and consolidating its efforts into a coordinated national platform for inclusive, evidence-driven reform of Canada’s tax-and-transfer system.

Structure and Activities

INCLUSIECON is not a new initiative. Over several years, it has been led by Drs. Lindsay Tedds and Gillian Petit through a series of collaborative projects on taxation and social policy, each developed with diverse partners and supported by multiple streams of funding. What began as a set of discrete but complementary efforts has evolved into a coordinated national research program that bridges the gaps between economic analysis, institutional design, and real-world policy practice.

Having reached a critical inflection point, INCLUSIECON is now positioned to consolidate this body of work into an integrated platform with the scale and coherence needed to address complex, interconnected challenges. It brings together researchers, policy practitioners, and civil society partners to build the policy capacity required for more inclusive and effective policymaking.

The program is organized around two interdependent research pillars that together comprise Canada’s tax-and-transfer system—the primary engine through which governments reduce inequality and build public trust. While often treated and studied as separate domains, taxation and transfers are in fact two sides of the same coin: how governments raise resources and how they redistribute them are inseparable and must be designed as a coherent system.

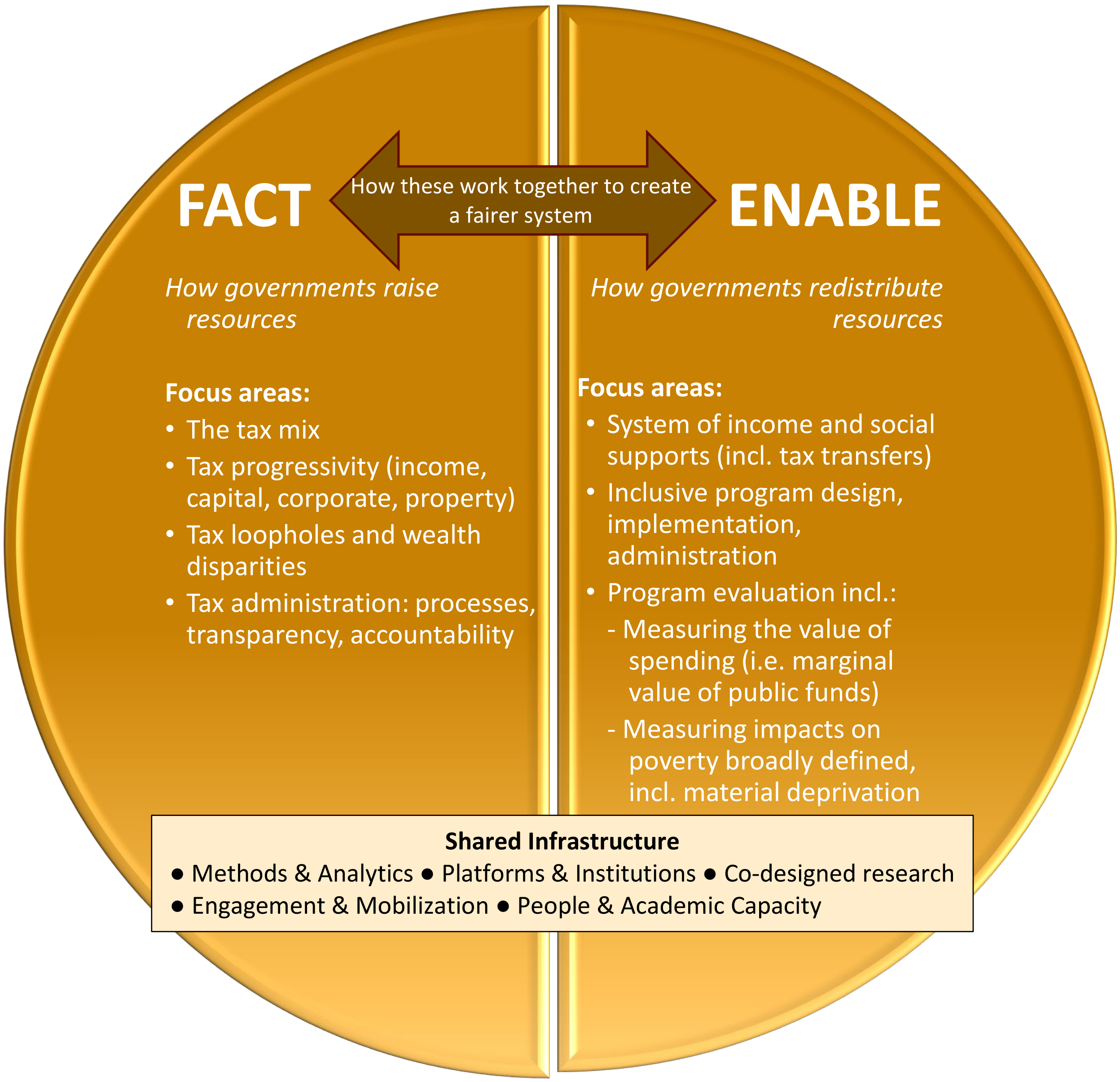
- **FACT (Fair and Accountable Canadian Taxation)** examines how governments raise resources fairly, efficiently, and transparently. This includes research on the tax mix and progressivity thereof including federal, provincial, and municipal (property) taxes, the use and development of advanced tax fairness metrics, and the creation of public-facing data infrastructure to support transparency and accountability.
- **ENABLE (Equity in Needs-based Assistance for Better Lives and Engagement)** examines how governments redistribute resources to reduce poverty and promote inclusion. This includes system mapping of income and social supports across provinces and territories, how the design, implementation, and administration of income and social supports impacts inclusion, and evaluation of these programs based on development of new evaluative criteria that better captures poverty and the broader benefits of program spending (i.e., improvement in human capital, reduction in health care spending, etc.)

Activities across both pillars include: co-designed research with policy and community partners; advanced empirical analysis using administrative and linked data; development of shared data and evaluation infrastructure; and national knowledge mobilization efforts that translate research into policy impact. Together, these two pillars (FACT + ENABLE) generate deep domain-specific evidence while building the institutional and methodological capacity needed to create a more fair, inclusive, and effective tax-and-transfer system for Canada.

INCLUSIECON unites two sides of the same coin— taxation (FACT) and transfers (ENABLE). Our goal is to bring them together, understanding how they work together and through shared infrastructure—methods and analytics, platforms & institutions, co-designed research, engagement & mobilization, and people and academic capacity—to build a fairer, more trusted tax-and-transfer system for Canada.

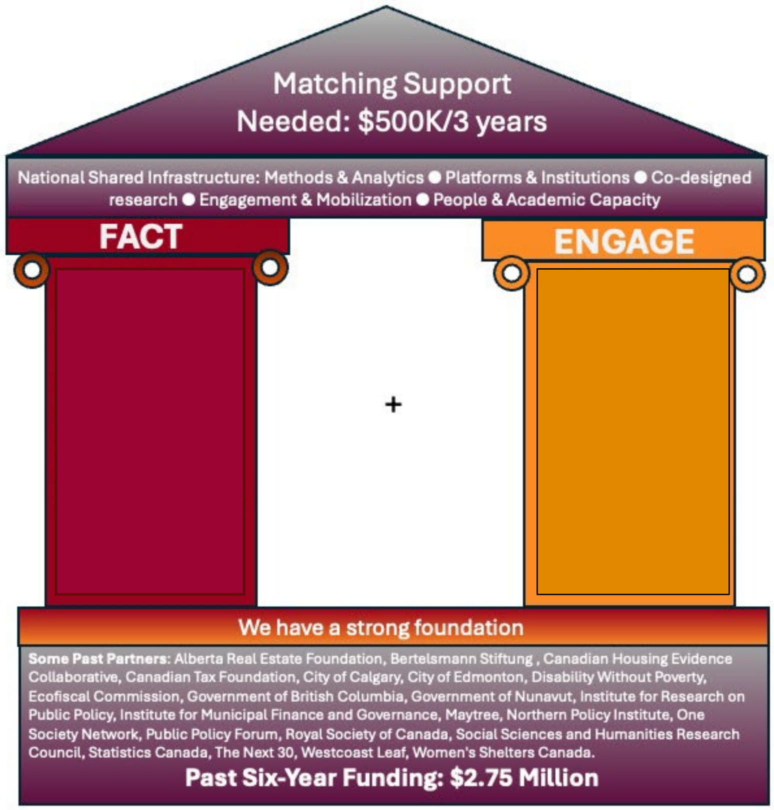
What makes INCLUSIECON distinctive is its shared infrastructure, which binds these two pillars together and multiplies their impact. This includes common theoretical foundations; advanced analytical tools; shared institutional platforms; and an integrated model of engagement that brings governments, civil society organizations, and academic institutions into co-designed research partnerships. This shared infrastructure is what multiplies impact. It is also where additional investment is most catalytic: consolidating methods, expanding data access, scaling co-designed research, and training the next generation of policy leaders. With $500,000 in matching support, this infrastructure can be strengthened into a durable national platform. It also includes a strong emphasis on capacity building—training graduate students and postdoctoral researchers—and on national knowledge mobilization, through open data platforms, policy briefs, public briefings, and accessible communications aimed at bridging research, policy, and practice.

Figure 1: ***INCLUSIECON Research Pillars: Building a Fairer Tax-and-Transfer System for Canada***



INCLUSIECON has already demonstrated its credibility and capacity. Through FACT and ENABLE, we have shaped reforms, trained students, and advanced new tools for evaluating fairness and effectiveness. These achievements are backed by multi-level government, philanthropic, and academic partners, attracting millions in cash and in-kind contributions. Figure 2 illustrates this record—highlighting the projects completed, partners engaged, and resources secured—while also showing the remaining piece required to consolidate these efforts into a national platform.

Figure 2: ***INCLUSIECON Research Activities to Date and Funding Ask***



A total additional investment of $500,000 over three years will leverage the multi-million-dollar commitments already secured. This support does not need to come from a single organization: it can be shared across partners who see value in strengthening Canada's tax-and-transfer system. With these resources, INCLUSIECON will consolidate the FACT and ENABLE pillars, scale the shared infrastructure nationally, and operate as a fully integrated platform for systemic reform. The payoff is enduring: a system that Canadians can see as fair, transparent, and trusted—an essential foundation for both economic security and democratic resilience.

Anticipated Impact

INCLUSIECON is designed not simply to produce new research, but to change how public policy is conceived, evaluated, and delivered in Canada. By building a unified national platform that integrates the taxation and transfer systems, INCLUSIECON will generate lasting change across three domains: institutional, methodological, and societal.

Institutionally, it will embed new evaluative tools and shared data infrastructure into the core work of governments, civil society organizations, and academic institutions. This will give decision-makers the capacity to assess the real-world effectiveness, distributional equity, and public value of fiscal reforms—something Canada currently lacks.

Methodologically, it will break down the silos that have long separated economic analysis from the institutional, legal, administrative, and social dimensions of policy. By fostering collaboration across disciplines and sectors, INCLUSIECON will shift the culture of policy research from narrow, program-by-program evaluation to systems-level analysis of how policies interact and reinforce (or undermine) one another.

Societally, it will produce a more coherent, fair, and trusted tax-and-transfer system: one that raises resources transparently, redistributes them equitably, and ensures programs are accessible, adequate, and effective. Over time, this will reduce inequality, enhance social inclusion, and rebuild public trust in the capacity of democratic institutions to deliver for all Canadians.

By linking cutting-edge methods to institutional reform and public engagement, INCLUSIECON will build the lasting policy capacity Canada needs to meet the challenges of today—and the crises of tomorrow. With the addition of $500,000 over three years in matching support, these impacts can be fully realized—embedding lasting policy capacity into Canada's institutions.

Core Team

DR. LINDSAY M. TEDDS is a Professor of Economics at the University of Calgary, and one of Canada's leading experts on tax policy design, implementation, and administration. She brings deep experience bridging rigorous economic analysis with institutional realities, having advised federal, provincial, and municipal governments on reforms to income taxation, municipal finance, and fiscal federalism. Lindsay has led major multi-partner projects on tax fairness, effective tax rates, and the application of advanced evaluative tools such as the Marginal Value of Public Funds (MVPF), and co-led system-mapping projects in British Columbia, Nunavut, and Alberta. As co-lead of INCLUSIECON, she provides the strategic vision, methodological rigour, and convening power to build a national platform for inclusive, evidence-driven economic policy reform.

Dr. Gillian Petit is an applied microeconomist and policy researcher at the University of Calgary whose work focuses on the design and delivery of income support programs, with an emphasis on equity, inclusion, and administrative effectiveness. She has shaped provincial and municipal reforms on property taxation, short-term rental regulation, working poverty, and benefit delivery, and played a central role on the BC Basic Income Panel. Gillian co-led system-mapping projects in Nunavut and Alberta and is advancing new frameworks to evaluate benefit adequacy and material deprivation, including the Alberta Disability Assistance Program (ADAP). As co-lead of INCLUSIECON, she anchors its work on social policy systems, ensuring the research is grounded in lived realities while advancing cutting-edge analytical methods to create more accessible and effective public policies.

Since 2019, **Tedds and Petit have built a sustained record of collaboration on progressive tax reform and income security**—delivering projects that have secured $2.75 million in partner funding that has supported research that has combined rigorous analysis with direct policy impact. Their joint work on the BC Basic Income Expert Panel and follow-up system-mapping in Nunavut and Alberta continues to shape debates about adequacy, material deprivation, and disability benefits. In parallel, their research on tax fairness and the design of more progressive fiscal instruments has informed reforms and advanced the evidence base for evaluating Canada's tax system. Together, they have shown how academic research can drive real policy change.

They also bring something few others can: a national network of leading scholars, practitioners, and policy partners. Drawing on expertise from economics, public policy, sociology, political science, and law, they work across universities, research centres, and governments, while maintaining deep relationships with civil society organizations. Both serve on policy advisory committees and mentor the next generation of graduate students and postdoctoral fellows who contribute to INCLUSIECON's projects. This network makes INCLUSIECON more than a research initiative—it is a platform that mobilizes world-class expertise, produces actionable evidence, and embeds solutions directly into Canada's policy systems.

Conclusion

INCLUSIECON represents the culmination of years of collaborative work that we, Lindsay Tedds and Gillian Petit, have led to understand and reform the systems that shape Canadians' economic security and well-being. What began as targeted projects on tax fairness and social support adequacy has evolved into a coordinated national research program with established partners, secured funding, and demonstrated policy impact.

We have built the foundations: robust methods, secure data infrastructure, trusted partnerships, and an emerging network of highly trained researchers. We now stand at a pivotal moment. **With strategic matching support, INCLUSIECON can move beyond individual projects to operate as a fully integrated national platform—one capable of reshaping Canada's tax-and-transfer system into a fairer, more effective, and more trusted foundation for shared prosperity and democratic resilience. We invite partners to join us in realizing this vision—building a fairer, more effective, and more trusted tax-and-transfer system for Canada.**

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