

Opinion: We need wealth creation not Robin Hood

Liberal policies of redistributing incomes rather than rewarding effort, innovation and entrepreneurship have failed and need to be undone

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Polls suggest Canadians are more than willing to “pay a price” to let Donald Trump know they strongly oppose both his tariffs and his 51st-state talk. That’s understandable. What I find baffling, though, is that current polls also suggest they may be willing to re-elect the federal Liberals, now under the leadership of Mark Carney. If they do, they’ll be paying another price, and paying dearly, over and above what they will pay due to Trump tariffs. They will pay because of the Robin Hood policies of the deep (Liberal) state, which will not change under Carney. If anything, Canadians may be hit harder as Trump tariffs compound Liberal incompetence.

Since 2015 Canada’s economic pie has barely grown. But the share going to entrepreneurs and innovators has gone down while the share going to income redistribution has gone up, via: higher taxes on entrepreneurs, greater complexity in an already convoluted tax system, handouts to special interest groups, bigger government and more bloated bureaucracy, carbon tax rebates, and other rebates, credits and forms of social engineering. The beneficiaries of this largesse are better off — and ready to vote for even more of it — but entrepreneurs and innovators are discouraged, disillusioned and quite possibly thinking about moving to another country.

If Canada’s economic pie had instead grown as quickly over the past 10 years as it did in the U.S., we could have had modest redistribution, including new social programmes, without taking anything from entrepreneurs and innovators, who would be happy to continue working hard, making productivity-enhancing investments and creating wealth.

If you set real GDP/person to equal 100 at the end of 2015, the year the Trudeau Liberals took power, it is now, almost 10 years later, just 101.4. That’s the lowest increase in the G7. In the U.S., by contrast, it has reached 118.2. Italy, France, the U.K., Japan and Germany are also all well ahead of Canada. Non-G7 countries like Finland, Norway, Australia, Sweden, Netherlands, Spain and Denmark, just to mention a few, have also all grown much faster than Canada.

No wonder the valuation gap between U.S. and Canadian stocks widened so sharply over the past 10 years. In 2015, the price-earnings ratio based on forecast earnings over the following year was about the same in Canada as in the U.S.: 18. By early 2025, the Canadian stock P/E ratio had fallen to about 16, while in the U.S. it had shot up to about 24. The stock market

discounts future, not current, economic performance, which means Canada's future has been looking increasingly unpromising under the stewardship of the Liberal government.

Liberal policies have replaced entrepreneurship and wealth creation with handouts to every significant lobby and activist group. The Liberals as a party seem not to understand how people get jobs and get by, or how favouring environmental issues stirred up by activists over economic concerns destroys jobs and causes incomes to stagnate.

Increasing productivity is the only way to add wealth and create value at the national level. To fuel productivity growth, we need growth-generating policies that encourage and reward entrepreneurship and risk-taking. Liberal changes in the tax system have generally worked in the wrong direction. The magnitude and complexity of taxes have surged in Canada over the past 10 years. Hiring at the CRA has exploded, with total employment rising 47.7 per cent, from 40,059 in 2015 to 59,155 in 2024.

Since 2017 the federal government has conducted a hiring boom such as Canada has seldom seen. This stands in stark contrast to other countries. For example, the U.S., with its population almost 10 times ours, has only added the same number of federal civil servant jobs as we have and is now in a widely-publicized effort to reduce numbers drastically. Did we really need a public sector hiring boom? Do we have to keep on everyone hired by it?

As a country, we need strategies that: promote wealth creation and economic prosperity; move us away from the public sector, resources and real estate to other more productivity-enhancing sectors, such as robotics, cybersecurity and additive manufacturing; and expand productive capacity rather than play Robin Hood.

Canadians need to ask themselves: can a party that cares more about getting re-elected, follows policies driven by activists and neglects its larger mission and mandate possibly be up to this task?

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