

To: Transition Team, Office of the Prime Minister

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Subject: A Whole-of-Government Approach to Reviving Economic Dynamism and Competition in Canada

Purpose

This memo recommends a [whole-of-government approach](#) to strengthen competition policy in Canada. [Market concentration](#) is stifling economic dynamism, limiting innovation, and undermining sovereignty. While recent legislative reforms are promising, stronger political leadership and cross-departmental coordination are required to shift from technical enforcement to structural market renewal. In an age of geopolitical volatility, [algorithmic pricing](#), and digital gatekeeping, competition policy is no longer just about markets: it's about [sovereignty](#).

Context: A Concentrated Economy at a Crossroads

Canada's economy doesn't just suffer from weak productivity, it faces a deep concentration crisis. In telecom, banking, airlines, groceries, and digital services, a handful of dominant players continue to extract value while deterring new entrants. These conditions are not accidental. They are the product of fragmented policy frameworks, inconsistent enforcement, and a siloed understanding of competition as a technical matter best left to a single Bureau in a single Ministry.

This concentrated status quo is reinforced by regulatory inertia and worsened by global platform dominance. In digital markets, for example, Canadian firms must pay access fees to foreign gatekeepers just to reach domestic consumers. These [chokepoints](#) in app stores, adtech, and data flows constrain innovation and erode economic sovereignty.

Interprovincial Trade Coordination as a *Foundation*

The current political momentum around reducing or eliminating interprovincial trade barriers presents a unique opportunity. These efforts go beyond administrative streamlining; they are setting the institutional and political foundation for a more coordinated, competitive national economy.

As federal and provincial governments work together to eliminate frictions in the flow of goods, services, and labour, they are demonstrating what it takes to structurally modernize markets. This collaborative groundwork can (and should) be expanded to address broader economic bottlenecks, especially those stemming from market dominance and lack of access.

Critically, easing internal trade constraints helps smaller firms reach new markets, empowers consumers with more choices, and increases competitive pressure on incumbents. It also builds a more integrated policy infrastructure, which is essential for tackling emerging barriers in the digital economy, procurement limitations, and unlocking data portability. The same kind of political cooperation and cross-jurisdictional alignment can be applied to open up public procurement, create shared interoperability standards, and ensure platform fairness across provinces.

Rather than seeing interprovincial trade reform as a niche technical exercise, policymakers should recognize it as the scaffolding for a modernized, fairer economic model. It's proof that deliberate, structural change is both possible and popular. Now is the time to carry that ambition forward beyond provincial borders and into the heart of Canada's concentrated markets.

Rationale: Why Competition Policy Must Be Reimagined

Competition is not just about price; it's about power: who holds it, how it is used, and whether it is accountable. Market access is a democratic issue as much as an economic one.

A modern competition strategy should:

- Promote *inclusive participation* in the economy.
- Protect *economic liberty* through open and interoperable systems.
- Reclaim *market power* in the public interest.
- Reinforce *affordability* and *resilience* across key sectors.

In short, competition is foundational to both prosperity and democracy.

Opportunity: Momentum to Build On

Canada has made important strides:

- Recent Competition Act amendments targeting wage-fixing, greenwashing, and drip pricing modernize enforcement tools.
- Public conversations around interprovincial trade barriers signal renewed interest in upgrading internal markets.
- Growing concern about Big Tech's market power aligns public interest with broader reform.

Yet these initiatives remain fragmented. To meet the moment, political leadership must offer a cohesive vision of economic renewal and align policies across government.

Recommendation: A Whole-of-Government Competition Strategy

The next phase of competition reform should be embedded across policy domains, including, but not limited to:

- **Health and Pharma:** Treat pharmacare and right-to-repair not just as affordability plays, but as tools to reduce gatekeeping.
- **Labour Mobility:** Treat internal trade barriers and non-compete clauses as structural economic frictions, not jurisdictional technicalities.
- **Consumer Protection:** Tackle junk fees, loyalty lock-ins, and digital coercion as market distortions, not isolated abuses.
- **Data Governance:** Expand consumer data portability and enforce transparency to level the digital playing field.

This means coordination across ISED, Treasury Board, Finance, Heritage, Health, and Agriculture (and others), alongside provincial counterparts and procurement policies.

New federal actions could include:

- **A National Competition Council** to coordinate across ministries and with provinces;
- **Mandated [Competition Assessments](#)** for major budget lines and regulatory proposals (drawing from the OECD model);
 - Quick win: Fund a pilot “Competition Assessment” unit to review upcoming budget lines for market distortions
- **Procurement Reform** that incentivizes interoperability and deters single-vendor lock-in;
- **[Ban on Non-Competes](#)** in federally regulated sectors (finance, telecom, etc.) to match Ontario’s leadership.

Strategic Shift: From Enforcement to Market (re)Design

Traditional antitrust tools are reactive and slow. A modern approach must move “upstream” to shape markets before dominance calcifies.

Key elements include:

- **Interoperability standards** across sectors;
- **[Mission-driven industrial strategy](#)** (e.g., toward sustainability or affordability);
- **[Pre-distribution](#) frameworks** that prevent excessive concentration in the first place.

***This approach is not about deregulation or ‘red tape reduction.’ It is about embedding accountability and fairness into the economic architecture.**

Risks of Inaction

If we fail to act, the consequences are clear:

- Innovation will continue to stall as new firms face impossible odds;
- Public trust in markets, and in governments’ ability to govern them, will erode;
- Regional inequalities will deepen as dominant firms consolidate advantage;
- Foreign-owned digital infrastructure will quietly but profoundly shape national priorities.

Conclusion

Canada’s economic potential is being held back by structures that privilege incumbents and obscure the rules of the game. The good news? The scaffolding for reform is already in place and we have a strong foundation we can expand on. Now is the time to activate it with political intention.

Let’s go all in for a freer, fairer, more competitive Canada.

Key References:

- [A whole-of-government approach to promoting competition - Canada.ca](#)
- [Opinion: Ottawa must fix trade loopholes that hurt independent businesses - The Globe and Mail](#)
- [Opinion: Biden’s executive order on competition should be a wakeup call for Canada - The Globe and Mail](#)
- [Executive Order 14036 - Wikipedia](#)
- [The End of the Whole-of-Government Approach? - The American Prospect](#)