

2022 Québec Elections

ANALYSIS by Frédéric Alberro, former economic advisor to two Québec premiers

RESULTS

The 2022 Québec general election is Québec's 43rd general election and the second fixed election date to be held in Québec.

The Coalition Avenir Québec (CAQ) led by François Legault wins an absolute majority with 90 seats (out of 125) and 41% of the vote and can thus continue to form a majority government.

The Québec Liberal Party (QLP) wins 21 seats with 14% of the vote, forming the official opposition in the National Assembly.

Québec Solidaire (QS) obtains 11 seats and 15% of the vote

The Parti Québécois (PQ) obtains 3 seats with 15% of the vote.

The Conservative Party of Québec (PCQ) obtains no seats with 13% of the vote.

PARTIES	% votes	Number of seats	Status
Coalition Avenir Québec (CAQ)	41	90	Majority government
Québec Liberal Party (QLP)	14	21	Official opposition
Québec Solidaire (QS)	15	11	2 nd opposition
Parti Québécois (PQ)	15	3	3 rd opposition
Conservative Party of Québec (PCQ)	13	0	4 th opposition

While the CAQ's campaign slogan was "Continuons" (unofficially: *Let's continue*) and its leader, François Legault, succeeded in returning his government to power, Québec's life sciences and health technologies (LSHT) sector should be relatively predictable.

Several factors will influence the public policies and actions of Legault's second government term.

These include electoral promises, many of the policies and strategies announced in

the first term, the global economic context and pressures on public finances.

This memo identifies elements of the government's internal and external environment that may create opportunities and risks for the LSHT sector.

HIGHLIGHTS

1. The CAQ has a very strong majority government, thanks to the regions, having won more seats and votes than in previous elections (jumping from 74 to 80 seats and from 37% to 41% of the vote). Key former ministers were all re-elected. The last time a party enjoyed such a stunning victory was in 1989, when Robert Bourassa was elected (QLP).
2. A close battle was fought to keep the QLP as the official opposition. It won on the island of Montreal. However, the QLP was unable to reconcile its desire for growth without alienating its electoral base in the west of Montreal. It had the worst election results in its history. The new leader, from a party accustomed to power, was elected in her riding. The question is, will she survive as leader of the Party?
3. QS barely won an additional seat compared to 2018 (from 10 to 11) and did not succeed in becoming the official opposition. For the first time since it was founded, QS has lost traction with popular vote (from 16% to 15%). The party, created nearly 25 years ago, seems to be struggling to take off in public opinion throughout Québec.
4. Although the new PQ leader, Pierre Paul Plamondon, successfully raised his profile and ran a positive campaign, which has been hailed by all, giving the PQ some strength, the election results are weaker than those anticipated at the end of the campaign and compared to those of the last election: from 11 seats to 3. With the leader being elected in his riding, low initial expectations and a percentage of votes higher than that of the PLQ and similar to that of QS, will help keep this independence party alive, which has not managed to win an absolute majority for almost a quarter of a century (1998).
5. The new PCQ party went from being a fringe party to a well-established party. However, it won no seats and only 13% of the votes. Its fight will not have a place in the National Assembly.
6. In his victory speech, the CAQ leader sought to bring people together by declaring that he wanted to put an end to divisions and strive to govern for all Quebecers. He declared that education and the economy would be the main priorities of his second mandate.
7. On election night, the leaders of the QS, PQ and PCQ said that Québec's electoral system created significant distortions between the percentage of votes and the number of seats (e.g., these three opposition parties received 43% of the votes but 29% of the seats). Voting reform will certainly resurface.
8. A clear divide exists between the metropolis and the rest of Québec.

TEN (10) KEY PROMISES OF THE CAQ

1. **Achieve a balanced budget** in 2027-2028 (maintaining the 2021-2022 commitment).
2. **Anti-inflation shield:** tax cut (\$7.4 billion over the next four years), \$400 or \$600 for 6.4 million Quebecers, financial assistance up to \$2,000 for moderate-income seniors and a cap on government rate increases (max 3%).
3. **An accessible front line of health care:**
 - a family physician for every Quebecer;
 - deploy the *Votre Santé* platform to obtain a medical appointment in person or via telehealth.
 - offer a consultation with a health care professional within 36 hours;
 - limit ER wait times to 90 minutes.
4. **Home Care:** ensure that seniors intent on remaining in their homes for as long as possible can do so, by making hospitalization at home available in all health care facilities by 2026 and by investing \$900 million over four years in home care.
5. **Environment** Québec to become the first carbon neutral state in North America.

before 2050. Reduce GHGs by 37.5% by 2030, in particular by focusing on massive electrification in Québec (e.g., setting up a centre for electric batteries) and by banning the sale of gasoline-powered vehicles in 2035.
6. **Daycare:** ensure that every child has access to a reduced contribution space by converting the spaces currently in the unsubsidized private daycare network.
7. **A third link between Québec City and Lévis**
8. **Immigration:** the issue of immigration was central to the election campaign. Through a heated debate and dubious and denounced statements, the CAQ pledged to maintain the number of new immigrants accepted in Québec to 50,000 per year, while prioritizing integration and teaching them French.
9. **Education:** upgrade 600 schools (\$2 billion).
10. **Housing:** 11,700 new public housing units built and 7,200 more households subsidized through the Rent Supplement Program.

HEALTH & ECONOMY

The following is a summary of the main priorities and commitments communicated by the CAQ during the election campaign in the areas of economic development and health.

HEALTH

The CAQ's key health-related messages and commitments have focused on access to front-line health care and home care.

The leader of the CAQ has clearly relied on the bond of trust built and maintained between the public, his Health Minister (Christian Dubé) and himself during the management of the pandemic. Moreover, François Legault has confirmed that Christian Dubé will be reappointed as Minister of Health.

The health care reform plan, officially known as **Plan Santé**, introduced in the spring by the Minister of Health, will be the cornerstone that will guide the government in its actions.

Throughout the pandemic, the government orchestrated several changes (e.g., accelerated training of more than 9,000 orderlies) and relied on new approaches such as the implementation of a vaccination campaign with the private sector and the use of telehealth.

The CAQ will have the freedom to implement, in the same spirit, other changes and initiatives included in its **Plan Santé** and those announced during the campaign.

The following are the **CAQ's main electoral promises relating to health**:

- **home hospitalization** deployed in all Québec health care institutions by 2026;
- **new health agency known as Santé Québec created** to improve health system governance. This new agency will be one of the main tools used

to successfully implement the **Plan Santé**. This new agency will coordinate the operations of the health system while the MSSS will focus on its role of planning, direction, performance measurement and budgeting of the network. The CAQ is aiming for decisions and operations to be made closer to the ground and by seasoned managers;

- \$400 million to **train and recruit 660 physicians and 5,000 more health care professionals** and give them more autonomy and authority;
- create a new concept of **private medical centres** to complement the existing service offer. These centres, developed and managed by the private sector, will be free of charge and reimbursed by the Régie de l'assurance maladie du Québec (RAMQ);
- \$900 million over four years to provide **home care**, including early intervention to prevent and delay loss of independence among seniors, enhancing home care and services and improving access to them, and encouraging innovations that create safe home environments; and
- implement the **Votre Santé platform**, enabling you to obtain a medical appointment in person or via telehealth in one simple and easy step;

Although the Conservative Party of Québec (PCQ) made management of the pandemic the central focus of its offensives and the CAQ's use of an external firm to assist in its crisis management a prime object of criticism at the end of the campaign, little attention was paid to pandemic-related issues. Issues

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that were once discussed, such as self-sufficiency in the supply of vaccines and medical equipment, were absent from the campaign, as was the importance of having a competitive life sciences sector. What is demonstrated here is not so much a lack of interest, but rather the fact that the sector is not a source of criticism.

The CAQ's health-related electoral promises are completely consistent with Minister Dubé's Plan Santé published last spring, which is based on the fact that the pandemic has made it possible to learn lessons and explore new, very promising solutions, and gives as a compelling example the success of Québec's vaccination campaign.

It paints a picture of the current situation by pointing out the presence of a vast, complex network, cumbersome governance and confusion about the missions of the various bodies.

Added to this reality is an acute shortage of staff, outdated information systems, expenditures growing rapidly, an aging population and the health impacts of the pandemic.

It should be noted that the introduction of new and expensive drugs and treatments are among the factors driving cost growth.

The main points of Minister Dubé's **health care reform plan** are as follows:

- Increased infrastructure investments.
- A decentralized system, including the separation of policy and operations between the Ministry and the network institutions.
- Patient-focused funding.
- Management performance measured through patient satisfaction, appropriateness and value of care and services.

- Network performance compared on a value basis with other Canadian provinces and jurisdictions around the world.
- A shift towards home care.
- A plan to modernize technology systems (deployment of an integrated human resources, financial and procurement management system and a digital health record).
- Training, retention and mass recruitment of personnel.
- Better organization of work, particularly by decompartmentalizing fields of practice, increasing interdisciplinarity within the FMGs and reducing the administrative burden on caregiving staff.
- Increased use of the private sector for specialized medical clinics.
- Modernized legislative framework governing access to health data.
- A forward-looking front line with family medicine groups (FMGs), telephone and telehealth services, a *Primary care access point (GAP)*, an expanded role for nurse practitioners and pharmacists, and a review of family physician compensation.
- Wellness and healthy lifestyles and cancer screening promoted, to better meets the needs of the population.

The health care reform plan also includes **some guidelines for addressing the innovation challenge**. It aims to accelerate the adoption of innovative practices that are directly linked to health priorities and challenges.

The following passages from the plan provide a few indications:

- *"In order to find even more effective cures and provide innovative treatments for patients, this plan provides for enhanced*

support for research. For example, approval processes for research projects will be streamlined and accelerated, giving a positive signal to research centres and researchers."

- "Creating value by leveraging the expertise of the INESSS to ensure the relevance and performance of care and services to complement the mandate of the Institut de la pertinence des actes médicaux (IPAM) on the medical practices component."

ECONOMIC DEVELOPMENT

The leader of the CAQ has positioned his party as the party of the economy and the regions, with a strong economic team, including experienced managers including his former ministers Éric Girard for Finance, Sonia LeBel for Treasury and Pierre Fitzgibbon for Economy. All three were re-elected.

François Legault is passionate about eliminating Québec's wealth gap with Ontario. He frequently points out that from 2008 to 2018, the Québec-Ontario wealth gap remained at 16%, but that since the CAQ came into power in 2018, it has dropped to 13%.

As such, improving Québec's productivity is Mr. Legault's hobbyhorse, notably by investing in education and in forward-looking sectors. The following sectors have been named: *aerospace, battery industry, green aluminum and green steel, artificial intelligence, quantum science and smart technologies and the digital economy.*

The LSHT sector was not addressed during the campaign.

The digital sector was given special attention with the commitment to create the Québec Infrastructure and Data Fund (ID Québec) with \$3 billion to make Québec a leader in the digital economy. The CAQ has committed to completing the cellular network by 2026, converting the majority of the cellular network to 5G technology by 2030, and deploying fiber optics throughout Québec.

The economic vision outlined by the CAQ leader during the campaign also includes better funding for municipalities and their role in economic development.

Moreover, innovation is one of the priorities of the CAQ government's economic vision.

Two strategies announced last spring support this vision and are likely to shape the environment and competitiveness of the LSHT sector, namely the Québec strategy to support research and investment in innovation (SQRI²) and the 2022-2025 Québec Life Sciences Strategy.

Moreover, the deployment of world-class innovation zones is central to the Québec government's economic vision.

Québec strategy to support research and investment in innovation (SQRI²)

This **strategy** aims to reduce the labour productivity gap with Ontario in the business sector by at least half by 2027.

More than \$7.5 billion will be invested to provide Québec with a solid foundation in research and innovation. This amount includes an additional budget of \$600 million in investment capital and an increase of more than 10% in the basic budgets of the Fonds de recherche du Québec.

Measures are identified and funded to address four areas of focus:

- Area 1: Excel in research, science and technology.
- Area 2: Create an environment conducive to the development of innovation.
- Area 3: Support investment and commercialization of innovations.
- Area 4: Develop talent and a culture of science and innovation.
- Area 5: Focus on forward-looking sectors and impactful projects.

The 2022-2027 SQRI² supports the deployment of other sectoral strategies including additional financial support for life sciences projects (detailed in the next section).

2022-2025 Québec Life Sciences Strategy

Published last May by the Minister of Economy and Innovation and the Minister of Health and Social Services, the [2022-2025 Québec Life Sciences Strategy](#) is based on a financial framework of \$211 million over three years in order to:

1. generate \$4 billion in private investment over three years;
2. develop new industrial sectors in future niches, such as mRNA, artificial intelligence applied to diagnostics and health, precision medicine, cell and gene therapies, and the development of biological products, including vaccines; and
3. increase the presence of Québec companies in the local supply chains of the health and social services network and internationally.

The Strategy focuses on

- strengthening the life sciences ecosystem by generating synergies;
- attracting human capital development and talent;
- supporting the creation and growth of innovative companies,
- attracting investment projects;
- stimulating the commercialization of innovations (in particular by accelerating access to innovative medicines)

The 2022-2027 SQR12 will complement this strategy by, among other things:

- providing access to resources and expertise throughout the innovation cycle;
- supporting the implementation of projects for healthy aging: support for the MEDTEQ+ consortium project entitled "Qualité de vie des aînés" (Unofficially: Quality of life for seniors);

- supporting excellence in artificial intelligence (AI) and its adoption in business;
- Continuing to support the development and management of platforms related to the access and use of health information to support the advancement of medical research and accelerate the discovery and development of new treatments;
- Supporting the *Médicament Québec* initiative which aims to leverage Québec's research expertise and infrastructure, to increase Québec's autonomy in the discovery, development and production of active ingredients used in the composition of drugs or vaccines, and finally, to promote partnerships with companies.

Bill 19 – An Act respecting health and social services information,

Finally, consideration of *Bill 19 – An Act respecting health and social services information*, published on December 3, 2021 by the Minister of Health and Social Services, should be given special attention by the LSHT sector.

This bill provides a framework for the consultation and protection of personal health and social services information throughout its life cycle. It establishes the applicable standards to allow the mobility of this information to improve the quality of services offered to the population for purposes of research and innovation.

It also aims to promote management of the health and social services system based on knowledge of people's needs and their use of services.

OTHER ISSUES & GOVERNANCE STYLE TO FOLLOW

NATIONALISM & PRIDE

The CAQ's second mandate should be tinged with nationalism and focus on Québec pride. The discourse and government actions of this second Legault government should revolve around the themes of cultural belonging, defense of interests and recognition of the Québec nation's political legitimacy.

The CAQ, which used to qualify itself as an autonomist government, will continue to strive to broaden its jurisdiction, defending its specificity within Canada, notably through immigration and preserving the French language.

Throughout the campaign, the CAQ has committed to:

- supporting 20 new research chairs in Québec studies in order to better understand, promote and defend the particularities of the Québec approach;
- increasing funding used to give a second life to Québec's churches in order to stop the destruction of these buildings so critical to Québec's collective heritage;
-
- dedicating nearly half a billion dollars to support and revive the local economy in the villages, thus ensuring proximity services.

PRIORITY TO BUY LOCAL

The pandemic, the war in Ukraine, public opinion and the behaviour of other nations have all contributed to the CAQ's nationalism being transposed into the economic sphere. For example, increased financial support to ensure the creation and growth of Québec companies and the maintenance of head offices in Québec.

Buying from Québec remains a priority for the Premier of Québec. Several actions testify to this initiative, such as:

- the implementation of the *Le Panier Bleu* platform: a transactional marketplace for merchants;
- new labeling to easily identify Québec products;
- commitments to increase Québec's food autonomy;
- Life Sciences Strategy (2022-2025) which recognizes the importance of Québec companies having access to public contracts;
- Stratégie gouvernementale des marchés publics (unofficially: Government procurement strategy); and
- support for the Médicament Québec initiative, which aims to increase Québec's autonomy in the discovery, development and production of active ingredients.

This posture should intensify during the second term.

Labour shortage

On everyone's lips since the beginning of the pandemic, the labour shortage did not escape this election.

This issue has been at the core of electoral debates and has often been addressed through the theme of immigration.

The CAQ's commitments to address the labour shortage have been:

- to receive 50,000 immigrants per year;
- to select immigrants and temporary workers better aligned with the needs of the labour market;
- to introduce a major reform of vocational training with the goal of awarding 30,000 more diplomas in strategic sectors by focusing on remote learning and new short paid programs in key sectors;
- to implement incentives for older workers to continue or return to work;

- to provide financial assistance to those affected to retrain in other sectors; and
- to welcome more international students in Québec's French-language CEGEPs and universities.

It should be noted that several sectoral strategies announced in the previous mandate included measures to attract and develop talent.

The 2022-2027 SQRI2 includes two major actions, namely:

- to develop talent, succession and key skills in research and innovation; ·
- to develop a culture of science and innovation.

The Life Sciences Strategy plans to attract new talent to the life sciences and train a workforce adapted to industry needs, notably by creating the *Table de concertation interministérielle sur la main-d'œuvre en sciences de la vie* (unofficially: interministerial working group on the life sciences labour force).

Moreover, as mentioned in the previous section, the CAQ's economic vision is based on improving productivity by focusing on education and forward-looking sectors.

Federal Government Relations

During the campaign, the CAQ leader and his candidates avoided any criticism of the current federal government.

They made very few statements about gains that a Caquist government could make in its relationship with the federal government, such as increased federal transfers.

In the face of multiple attacks by the Parti Québécois on federalism and by the Québec Liberal Party on the federal government's refusal of some of the CAQ's demands, Mr. Legault had to point out some of the agreements reached with the federal government.

He positions himself as the leader of the only political party that truly defends the interests and specificities of Québec's identity in a federalist government approach.

Mr. Legault also reiterated its intention to obtain more immigration expertise.

Mr. Legault's second term will certainly be marked by:

- an intensification of the opposition's criticism of the results obtained by the Caquist government in its requests to the federal government and its approach to defending the interests of Quebecers; and
- a federal election;

In contrast to the other Québec leaders, François Legault reacted timidly to Pierre Poilievre's resounding victory as the new leader of the Conservative Party of Canada (CPC).

Mr. Legault would not say whether he would support the CPC again as he did in the last federal election, a decision that caused quite a stir.

"If I am elected on October 3," he said, "no matter who the leaders of the federal parties will be, I will continue to defend the interests of Québec and Quebecers."

ON THE RADAR

The CAQ's election slogan "*CONTINUONS*" (unofficially: LET'S CONTINUE) should be reflected in its actions. In health and life sciences, several public policies should be put back on the path of continuity and, moreover, on the radar of the LSHT sector. Other aspects related to the governance of this second mandate of the CAQ and its electoral commitments should also receive particular attention.

Legislation

- The first bill will address inflation.
- Bill 12, An Act mainly to promote Québec-sourced and responsible procurement, comes into force and a draft regulation is published.
- Review of Bill 19 on health data.

Strategies / Policies

- Plan Santé.
- Québec strategy to support research and investment in innovation.
- Life Sciences Strategy (2022-2025).
- Action plan released in response to Rare Disease Policy issued in June
- Stratégie gouvernementale des marchés publics (unofficially: Government Procurement Strategy)
- Plan d'action interministériel en santé mentale 2022-2026 (unofficially: Interministerial mental health action plan)
- 2^{ème} plan d'action interministériel de la Politique gouvernementale de prévention en santé (unofficially: 2nd Interministerial Action Plan of the Government Health Prevention Policy)
- A new national policy on home care.
- Development of a national health risk preparedness strategy
- Innovation Zone announcements (analysis of health zone files is ongoing).
- The Conseil de l'innovation du Québec will carry out two working groups on R&D assistance and innovation in companies.
- Development of Médicament Québec.



Public Service

- Creation of the agency Santé Québec
- Deployment of the Centre d'acquisitions gouvernementales
- Launch of the Strategic Innovation Committee at the MSSS, which aims to simplify the process of adopting innovations in the health and social services network (RSSS)
- Several new appointments (changes) in the senior public service and appointment of the Deputy Director of Innovation at the MSSS.
- Reform of public health authorities.
- Increased role of the INESSS

Governance

- Appointments of Ministers, Leaders, Parliamentary Assistants and other functions
- Establishment of shadow cabinets of the opposition (critical)
- Staff changes in ministerial offices.
- Inaugural speech by the Québec Premier.
- The Comité interministériel de la recherche et de l'innovation (CIRI) will be revitalized following the deployment of the 2022-2027 SQRI2 with the contribution of the Chief Scientist of Québec, Chief Innovator of Québec and Investissement Québec (IQ).
- Creation of the Table de concertation interministérielle sur la main-d'œuvre en sciences de la vie (unofficially: interministerial working group on the life sciences labour force).

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RECOMMENDED APPROACHES

In recent years, the LSHT sector has succeeded in attracting the attention of political decision-makers and in building constructive relationships that allow the co-development of impactful public policies.

The sector is in a good position to benefit from this *momentum* during the second mandate of the majority Caquist government, which will continue to build on the initial milestones set during its first mandate in the areas of health, economic development, research and innovation.

As a result, **follow-ups on the foreseeable elements outlined in the following sections will be crucial and the LSHT sector would benefit from:**

- quickly positioning itself as a partner with the government in achieving several of its clearly communicated objectives;
- further promoting to the general public and decision-makers the strengths of the sector for Quebecers (economy, health) and its challenges;
- getting closer to the opposition parties that will influence the prevailing messages on certain issues (e.g. health costs) and certain public policies such as the progress of certain bills;
- intensifying its relations with the senior public service, which is highly regarded by the government, including the Minister of Health;
- including in its dialogue, projects and approaches the leaders of the Centres hospitaliers universitaires du Québec. They have a strategic and holistic vision on many health and research issues and have strong credibility. They will also be called upon to sit on the new MSSS Strategic Innovation Committee to accelerate the

adoption of innovations in the health and social services network,

- ensuring coherence between the actions of the governments of Québec and Canada by focusing on strategic intelligence, by encouraging dialogue, particularly during public events, and by intensifying its relations with the federal government.

Tensions over public finances will be omnipresent.

Although the CAQ's return to power creates a more predictable and stable environment for the sector, **there are several factors that could change the public finance situation, such as the resurgence of the pandemic and an economic crisis.**

The CAQ's fiscal framework rests on a fragile foundation when it comes to meeting the commitment to achieve a balanced budget by 2027-2028, namely:

- a low average annual growth rate in portfolio spending of 2.8%;
- 4.5% growth in health care spending, which barely covers the growth in system costs (providing the same level of service);
- a zero cost transfer of the "operations" function from the MSSS to the new agency, Santé Québec;
- anticipation of nearly \$3.3 billion in additional revenue generated by the CAQ's economic plan;
- the addition of \$4 billion in savings over the next four years, and \$1.5 billion over time in 2026-27, generated by continued program review efforts;

- \$1 billion less per year in risk provisions for the years 2025-26 and 2026-27;

Nevertheless, the framework provides for \$8 billion in reserves to offset economic risks and the fact that the CAQ has provided for the maintenance of payments to the Generations Fund at nearly \$3 billion per year adds a margin that could eventually be used in exceptional situations (e.g., stopping payments). In addition, gains in federal health transfers could materialize.

The LSHT sector must again position itself as a partner through its spin-offs in terms of jobs, investments and Gross Domestic Product (GDP), as well as through its innovative solutions enabling efficiency gains in the health care system.

FRÉDÉRIC ALBERRO
fredoalb@outlook.com
514 241-7784