Written Submission for the 2026 Pre-Budget Consultations in Advance of the Upcoming Federal Budget

By: APATHY IS BORING

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With endorsements from 170+ civil society, philanthropic, and democracy leaders.

Recommendation:

Invest $20 million per year over five years ($100 million total), beginning in 2026, to **establish an arm's-length, non-partisan Canadian Democracy Fund**, with governance and implementation to be developed by public officials in consultation with civil society organizations and leaders.

A Canadian Democracy Fund — A Security and Sovereignty Imperative

Issue

Canada's democracy and sovereignty face mounting threats from foreign information manipulation and interference (FIMI), a deteriorating information ecosystem, rising polarization, and declining trust. While recent federal investments are strengthening national security infrastructure, they have not addressed the essential civic capacity needed to complement this work and sustain democratic resilience.

Context

There is a shared understanding that democratic resilience requires a whole-of-society approach that integrates civil society into Canada's broader security and resilience efforts. Current investments focus primarily on institutional safeguards, without comparable support for the public-facing civic infrastructure that builds trust, participation, and resistance to democratic erosion and threats to Canadian sovereignty.

Canada's allies recognize the need for whole-of-society strategies and investment. The European Democracy Shield (2025) provides coordinated EU-wide support for civil society and democratic infrastructure, with the European Commission proposing **€9 billion over seven years** for the AgoraEU programme alone to strengthen civil society organizations. NATO Parliamentary Assembly Resolution 498 (October 12, 2025, Ljubljana) urges allied states to allocate a portion of their defense and security-related investments to democratic resilience, specifically allocated to the 1.5% spending above the initial 2% of GDP threshold commitment, which Canada achieved this current year.

Proposed Approach

The Canadian Democracy Fund would provide **$20 million annually for five years ($100 million total)** to non-partisan, non-academic organizations that are already delivering public-facing democratic resilience and civic engagement initiatives through an arm's-length granting mechanism. This funding would enable these organizations to expand their reach, considerably.

With an estimated value of $20–$30 million per year currently, it would double the sector's capacity while creating the foundation, scaffolding, and governance capacity for further investment, scaling, and the creation of a permanent fund or endowment.

Supported activities would focus on:

- strengthening public resilience to FIMI and improving information integrity;
- fostering innovation in democratic participation and engagement;
- enhancing citizen awareness of and participation in civic decision-making; and
- supporting transparency, accountability, and institutional responsiveness.

While modest relative to the EU's €9 billion commitment, $20 million annually would provide meaningful, scalable support to Canadian civil society organizations working directly with the public and signal federal leadership that can catalyze complementary philanthropic investment.

Background: The Case for a Canadian Democracy Fund (2025)

Executive Summary

This white paper **proposes the creation of a Canadian Democracy Fund**– an independent, arm's-length, non-partisan funding mechanism to build and sustain the civic infrastructure necessary for a strong, sovereign, and future-ready democracy**.** Grounded in the values of the Canadian Charter of Rights and Freedoms, the imperative of reconciliation, and a shared commitment to fairness, public trust, and civic responsibility, the funding would strengthen Canada's democratic life in the public interest and reinforce national resilience.

As Prime Minister Mark Carney has emphasized, "We find ourselves in a situation where our values are being tested by attacks on democracy and freedoms – attacks we must resist."[1] A healthy, inclusive, and confident Canadian democracy can serve as a model on the world stage, offering a compelling alternative as democratic norms erode elsewhere and the threat of authoritarianism grows.

In June, 2025, NATO Heads of State and Government issued the Hague Summit Declaration that commits to: "protect our critical infrastructure, defend our networks, ensure our civil preparedness and resilience, unleash innovation, and strengthen our defence industrial base"[2]. Investing in the foundations of our democracy is not only a domestic imperative, it is a prerequisite for credible global leadership and central to our security commitments.

This initiative aligns with government priorities to invest in Canadians, modernize public institutions, increase Canada's security, and build long-term social cohesion and prosperity.

Introduction

Canada's democracy is experiencing significant strain, marked by the rise of disinformation,[3] growing political polarization,[4] declining public trust in institutions,[5] reduced civic engagement,[6] and the erosion of shared democratic norms.[7] Yet unlike other sectors essential to national

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[1] Radio Canada International. "Carney Praises Canadian Unity as Canada Day Celebrations Kick Off." *Radio Canada International (RCI)*, June 30, 2025. https://ici.radio-canada.ca/rci/en/news/2176788/carney-praises-canadian-unity-as-canada-day-celebrations-kick-off.
[2] North Atlantic Treaty Organization, "The Hague Summit Declaration: An Alliance for a Global Age," June 25, 2025, https://www.nato.int/cps/en/natohq/official_texts_236705.htm?selectedLocale=en.
[3] EKOS Politics. June 2025 Political Update. EKOS Research Associates, June 10, 2025. https://www.ekospolitics.com/index.php/2025/06/june-2025-political-update/
[4] Public Policy Forum. Far and Widening: The Rise of Polarization in Canada. Ottawa: Public Policy Forum, August 2023. https://ppforum.ca/publications/polarization-democracy-canada/
[5] Proof Strategies Inc. CanTrust Index™: The Proof Strategies CanTrust Index. Proof Strategies. 2025. https://getproof.com/trust/cantrust/
[6]Statistics Canada. Canadians' Volunteer Rates and Hours Decline, Particularly for Formal Volunteering. The Daily. June 23, 2025 .https://www150.statcan.gc.ca/n1/daily-quotidien/250623/dq250623b-eng.htm
[7] International Institute for Democracy and Electoral Assistance. *Country Profile: Canada*. Democracy Tracker / Global State of Democracy Initiative. Stockholm: International IDEA. https://www.idea.int/democracytracker/country/canada

resilience, Canada lacks a coherent and sustainable democracy infrastructure with sufficient institutional support.

Canada's democratic institutions were built deliberately, distinctively, and often in contrast to models elsewhere.[8] However, without reinvestment, democracy erodes– not just through institutional mimicry and borrowed political narratives, but through growing inequality, low participation, and a widening gap between public interest and political outcomes.

As trust in institutions falters and citizens increasingly struggle to see how they can meaningfully engage, it becomes clear that non-partisan democracy work is essential to rebuilding the civic infrastructure that connects people to power. In fact, people who feel they have a say in what government does report nearly three times more trust than those who feel they don't.[9]

This work is about safeguarding what makes Canada democratically distinct: our Charter, our Parliament, our Federation, our pluralistic and multicultural civic traditions; and reinforcing the civic infrastructure that protects Canadians' sovereignty from within. We need to strengthen the civic habits, institutions, and trust that anchor Canadian democracy, so that we may hold our own voices and not someone else's echo.

The issue is not a lack of people doing the work. Across the country, civil society organizations, educators, and community leaders are actively strengthening civic life. What's missing is the sustained, long-term investment needed to scale this work, build sector-wide capacity, and address critical gaps efficiently. While Canada has supported democracy abroad, **we lack a coordinated strategy to protect and modernize our own democratic systems– a gap that limits our ability to lead globally**, particularly as historical hubs like the United States face significant decline in investment.

A **Canadian Democracy Fund** is an acknowledgement that the investment in global democratic security starts at home. This commitment is a continuation and a complement to the $30 million committed in 2023 to strengthen global democracy,[10] and is an investment in leadership capacity to build on this work at home.

Context and Rationale

Democracy in Canada is under strain. Federal commissions and independent research point to:

- Erosion of public trust in government, media, and electoral processes;[11]

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[8] Koerner, Wolfgang. *The Foundations of Canadian Federalism*. Background Paper BP-187E. Ottawa: Library of Parliament, Parliamentary Research Branch, December 1988

[9] OECD (2024). OECD Survey on Drivers of Trust in Public Institutions 2024: Results – Canada Country Note. https://www.oecd.org/en/publications/oecd-survey-on-drivers-of-trust-in-public-institutions-2024-results-country-notes_a8004759-en/canada_1d3c42d0-en.html

[10] Prime Minister of Canada. Canada Announces over $30 Million in Initiatives during Third Summit for Democracy. Backgrounder, March 20, 2024. https://www.pm.gc.ca/en/news/backgrounders/2024/03/20/canada-announces-over-30-million-initiatives-during-third-summit

[11] Proof Strategies Inc. CanTrust Index™: The Proof Strategies CanTrust Index. Proof Strategies. 2025. Accessed July 30, 2025. https://getproof.com/trust/cantrust/

- Political participation in Canada is uneven, with lower turnout among younger voters, lower-income Canadians, and in certain regions, contributing to gaps in representation and engagement;[12]
- The rapid spread of disinformation and foreign influence/interference undermining shared civic culture;[13]
- Insufficient civic education in formal and informal settings;[14]
- Inadequate investment in the capacity of civil society to respond to democratic decline;
- Availability of exclusively project-based funding and little opportunity for operational or longer-term funding for organizations dedicated to democracy development domestically.

While Canada has established dedicated funding mechanisms in sectors like health, environment, and culture (e.g., the Canada Council for the Arts and Sustainable Development Technology Canada), no equivalent exists to strengthen democratic infrastructure at home. Meanwhile, adversaries invest billions to undermine democracy globally,[15] including in Canada, through disinformation and foreign interference, while we have invested comparatively little in a coordinated response.

Vision

To establish a sustainable, non-partisan, and independent Democracy Fund that serves as the cornerstone of a resilient democratic ecosystem in Canada. The Fund will:

- Support a robust and diverse democracy sector, capable of addressing current threats and building long-term democratic resilience;
- Catalyze philanthropic giving by acting as a permanent, trusted vehicle for investment in democratic renewal, inviting matched funding and multi-sector partnerships;
- Seed a national response to democratic backsliding by framing the scope and scale of the challenge and resourcing the solutions– laying the groundwork for collective, coordinated action in the public interest;
- Enable long-term planning and capacity-building for civil society organizations to develop, test, and scale democratic innovations;
- Ensure all Canadians have access to democratic learning, participation, and leadership opportunities;
- Spark innovation in civic engagement, public accountability, and democratic governance, helping institutions adapt to 21st-century expectations and technologies;

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[12] Polacko, M. (2020). Party Positions, Income Inequality, and Voter Turnout in Canada, 1984-2015. American Behavioral Scientist, 64(9), 1324-1347. https://doi.org/10.1177/0002764220941238

[13] Hogue, The Honourable Marie-Josée, Commissioner. Public Inquiry into Foreign Interference in Federal Electoral Processes and Democratic Institutions, Final Report, Volume 1: Report Summary. Ottawa: Foreign Interference Commission, 28 January 2025. https://foreigninterferencecommission.ca/fileadmin/report_volume_1.pdf

[14] Max Bell Foundation. Understanding and Advancing Youth Civic Engagement in Canada – Summary Report. July 2025. https://www.maxbell.org/wp-content/uploads/2025/07/Summary-Report-Understanding-and-Advancing-Youth-Civic-Engagement-English.pdf

[15] The Guardian. Russia, China and Iran spend billions on foreign disinformation, US says. April 16, 2025. https://www.theguardian.com/us-news/2025/apr/16/trump-state-department-foreign-disinformation

- Strengthen opportunities for communities to participate meaningfully in decisions that affect them, helping to build public trust and a broader sense that Canada's democratic system is responsive and fair.

Key Objectives and Activities

- **Infrastructure Development:** Fund democratic infrastructure, such as non-partisan civic education hubs, curricula and course material, digital civic tools, community engagement networks, and secure information ecosystems.
- **Capacity Building:** Provide predictable multi-year, flexible, and operational funding to civil society organizations advancing democracy-related work outside of partisan political environments.
- **Innovation & Applied Research:** Support innovation and experimentation with new forms of engagement, participatory democracy, and institutional design to respond to emerging challenges.
- **Public Engagement:** Foster inclusive public dialogue and consultation on the future of democracy, reconciliation, and pluralism in Canada.

Alignment with Government Priorities

This initiative aligns with federal government commitments[16] to:

- **Invest in Canadians:** By equipping citizens with tools to participate in and shape the future of their country.
- **Build Public Infrastructure:** Civic infrastructure is as vital as physical infrastructure. The Fund will support the democratic “backbone” that sustains civic life.
- **Strengthen Canada’s Security:** Building public resilience to foreign interference, disinformation, and hybrid threats through civic awareness, better information integrity, and democratic engagement.
- **Advance Reconciliation and Inclusive Nation-Building:** Embeds Indigenous leadership and the perspectives of historically excluded communities at the heart of democratic renewal and unlocking our democratic potential.
- **Foster Innovation and Resilience:** Encourages democratic innovation to adapt institutions and public engagement to 21st-century realities and threats, ensuring long-term resilience.

Anticipated Impact

- Strengthened democratic participation and literacy nationwide;
- Improved security for democratic processes and institutions;
- Enhanced institutional trust and responsiveness;
- A resilient ecosystem of democracy-supporting and public interest organizations;

[16] Prime Minister of Canada. *Mandate Letter to the Ministry*. May 21, 2025. https://www.pm.gc.ca/en/mandate-letters/2025/05/21/mandate-letter

- Innovative models of engagement and governance emerging from communities;
- Enhanced global leadership in sustaining and modernizing democratic engagement and principles in a time of global backsliding.

Conclusion

The health of Canada's democracy is foundational to every other national goal: economic prosperity, public safety, reconciliation, and climate action. Yet it remains underfunded and vulnerable. A Canadian Democracy Fund would be a historic step toward building a democracy that reflects, includes, and empowers all Canadians, today and for generations to come.

List of Endorsements

An up-to-date list can be consulted here.