

Searching for the New Liberalism

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Social Cohesion and the New Liberalism: How to Move Social Policy from Neutral to Go

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Introduction

Prime Minister Chrétien has held so many jobs in his long government career that many forget that he was once Minister of Social Development. In 1980 Prime Minister Trudeau appointed Mr. Chrétien Minister of Justice and Social Development and Mr. Chrétien became Minister of an innovation in the Cabinet machinery of government, the Ministry of State for Social Development. The new Minister told the House of Commons on June 16, 1980 that:

We have not yet solved the greatest social problems facing our country. The distribution of income in Canada is largely unchanged despite all the social policy changes of the 1960s and 1970s. Crime and poverty have not disappeared. Today, Canada has more poor children than ten years ago and the problems of many pensioners are still with us. The majority of Canadians still have no pension coverage other than that financed through the public sector.ⁱ

However weak the social cohesion of Canadians in 1980, there is little doubt that today the fabric has frayed considerably. In 1980 there were no food banks: today there are over 2000. In 1980 seniors had universal access to the old age pension and every family enjoyed family allowances: today OAS has been de-universalized and the family allowances program has been eliminated in its entirety. The unemployed have seen their benefits lowered, duration reduced and clawbacks introduced. In 1980 the Canada Assistance Plan (CAP) provided a specific statutory base and standard at the national level for social services and welfare: in 1995 the CAP was folded into the single and smaller block grant of the Canada Health and Social Transfer (CHST) and all conditions save one were eliminated. In 1980 Federal Government transfers paid half of health expenditures: today it is approximately one third. All of the problems Mr. Chrétien so passionately lamented in 1980 have gotten worse.ⁱⁱ

This is not a paper on the history of social policy; suffice it to say that since 1980 we have witnessed the rapidly deteriorating fiscal position of the last Trudeau government, the successes of Reagan-Thatcher-Mulroney neo-conservatism in the mid 1980s, the severe economic recession of 1990-1992, and a national campaign to right the country's accounts, which led directly to Paul Martin's Draconian 1995 budget.

With social policy however, we must hope that what is past is not prologue. In this paper I suggest that we should be guardedly optimistic that the log-jam on social policy will break. Three arguments are advanced:

- The Liberal party has a traditional commitment to social justice and this value is widely shared by party militants. Given the leadership issue, party members will have a greater influence than normal in the months ahead.
- Public opinion, as opposed to elite opinion, would welcome new concentration on the social policy agenda.
- With the National Child Benefit program, the Chrétien government has established a base and an instrument to do for children what the Guaranteed Income Supplement program did for seniors – lift them from poverty. All that is needed is political will and financial resources. The last Trudeau government delivered for poor seniors: the last Chrétien government, or a future New Liberal administration, should deliver for poor children.

The Liberal Legacy

Parties are too self-congratulatory but Liberal governments have been the initiators of many social advances and Liberal party militants certainly think of themselves as social progressives.ⁱⁱⁱ In the November 2000 election Prime Minister Chrétien firmly placed himself in this party tradition when he declared that the election would be a “values” campaign, contrasting the Liberal commitment to social equity, diversity and access for all in health care to the Alliance’s “secret agenda” on social and economic issues.^{iv} When Stockwell Day’s campaign chairman, MP Jason Kenney, voiced support for a two-tier health care system, this was electoral Manna from Heaven for Mr. Chrétien. In 2000 35% of Canadians identified social issues, including health, as the most important of the campaign compared to 4% in 1993.^v With social issues as the dominant focus of the campaign, 33% of those surveyed felt that the Liberal party was closest to their values on social policy compared to 15% who mentioned the Alliance. It is no surprise that Mr. Chrétien gave 54 speeches during the campaign and mentioned health care in about half of them. The Liberals succeeded in polarizing the electorate around the question “Which party has values most like mine?” rather than the opposition question of “Do we want five more years of Mr. Chrétien?” In winning his third majority election in a row Prime Minister Chrétien increased the Liberal vote to 40.8% from 38.4% in 1997, and with 173 seats he won 18 more than he had in 1997. The ‘values’ election, however, has raised high expectations in the party and public: now that the deficit has been conquered and electoral victory assured how will the government respond in program terms to the ‘values’ mandate it has just won?

Public Opinion

If Liberal party militants traditionally demand action on the social front, the critical point is that the Canadian public is equally supportive of such a priority. Parties get into trouble when activists are too far in front of public opinion: on social policy Liberal party views and much of the Canadian public are in synch.

Canadian pollsters like Michael Marzolini, Michael Adams and Frank Graves are in broad agreement about the values framework of most Canadians.^{vi} In Canada approximately 40% self identified as small “l” liberal and 25% as small “c” conservative. In contrast, only 8% in the United States will accept a ‘liberal’ label.^{vii}

As Michael Adams writes, while 18% of Canada’s population are disengaged Darwinists this proportion is doubled in the United States:

Most Canadians continue to cling, however tenuously to the principle of a kinder, gentler society. This stands in stark contrast to the social Darwinistic ideology that is dormant in the United States. There is a world in which the fittest flourish while others languish.^{viii}

There are many ways to analyze public opinion: variables like age, gender, socio-economic status, ethnicity, and region are the most common. Most useful for this discussion, however, is the grouping of public opinion into value clusters. Adams, for example, has 12 clusters of traditionalists, disengaged Darwinists, generation x, post-materialists etc. Frank Graves also has a typology of the Canadian public with fewer categories than Adams but along the same general continuum. In order of size the value cohorts are:

Preservers/Traditional	28%
Neo-Liberal	26%
Anxious	21%
Alienated	13%
Neo-Conservative	13%

In promoting an agenda the trick is to create coalitions around issues that draw from various value clusters. In my time with Mr. Trudeau, for example, we created coalitions of support around social issues which drew from traditionalists (who remembered the Depression and sought security) and with baby boomers who were more preoccupied with education and child care. On the Charter of Rights, many of the traditionalists opposed bi-lingualism, but the emphasis on individual rights was overwhelmingly supported by the baby boom generation and many of what we now call the generation x value cohorts.

Public opinion has changed since Mr. Trudeau’s day. No longer is there an automatic constituency for old style tax and spend welfare state liberalism. But there is still a large constituency for activism, compassion and partnerships. Both in Mr. Trudeau’s time, and now, women are the core of the humane majority in Canada while men make up a disproportionate part of the neo-conservative Darwinists. Intelligent social policy has the potential to command large support from the traditional preservers, the cosmopolitan neo-liberals and the anxious middle class or two-thirds of the electorate. The “values” election of 2000 was not a fluke: Canadians are by and large fiscally prudent but socially progressive. There is plenty of running room for social policy entrepreneurs.

Political Entrepreneurship

If public opinion is on side, and the party is on side, both necessary but not sufficient conditions for reform, the last critical ingredient is political will and skill. There is never enough time or resources to respond to all the needs: reform requires a sufficiently committed and powerful collective of inside actors who can move the system: in short, political entrepreneurs. Prime Ministers set a framework and juggle competing forces: rarely has a Prime Minister taken up social policy as a personal cause. But every period of social advance has a senior Minister as a driving force: Paul Martin in Louis St. Laurent's governments, Alan MacEachen and Walter Gordon in Pearson's government and Monique Begin and Marc Lalonde in Mr. Trudeau's era. Allied with the Ministers who respond to public opinion and articulate the message, are insiders in the Prime Minister's office such as Jack Pickersgill, Tom Kent and Jim Coutts who energize the bureaucracy to respond to political needs.

To paraphrase Nye Bevan, the great Labour Minister of Health in the Atlee government: The language of priorities must be the religion of reform. Incremental change can occur in a host of policy areas but significant lasting change can occur in only a few. Fiscal, human and political obstacles are normally too great to be overcome except in a few carefully selected areas. A strategic political approach is a necessity.^{ix}

On social policy, the Chrétien government's record has been mixed. The overwhelming priority of deficit reduction led to the 1995 budget which slashed federal support of health, welfare, and education. Once the deficit was tamed the Chrétien government has been adding incrementally to the CHST, most notably in September 2000 when \$24 billion was added just prior to the 2000 elections. On social policy it has been two steps forward and one step back.

The one clear social breakthrough has been the National Child Benefit (NCB) program of 1998. The Child Tax Benefit has two components: the NCB supplement to low income families and the base benefit for low and middle income families. Provinces can adjust their social assistance programs by the amount provided by the National Child Benefit and use these savings for other programs and services for low income children. This is the instrument that can be employed to achieve the goal set by the House of Commons in 1989 when it voted to end child poverty by the year 2000. And, despite the rhetorical flourishes of any number of Speeches from the Throne over the past decade, we are still far from that goal. Over 1.3 million children live in poverty – 20% of Canadian Youth, compared to only 3% in the Nordic countries of Europe.

True, the Federal budget is again under pressure. The \$100 billion tax cut program over the next five years is depressing federal coffers just as the economy is slowing because of September 11 and the US recession. But to govern is to choose. The Chrétien government should announce that annual increases will be made to the National Child Benefit on a fixed schedule until most families are over the low income line. The existing benefit of approximately \$2500 per child should be raised to over \$4400. This

schedule should be tied to the tax cut schedule: when the \$100 billion target in tax cuts is achieved, so too, should children be out of poverty. Depending on program design, this will cost \$4 – 10 billion above what is currently budgeted. Additional resources will also be required to respond to the Romanow Commission on Health. If necessary a new x-budget or expenditure cuts process should begin now to assure that resources are sufficient for these priorities, or new dedicated taxes, preferably aimed at consumption, should be imposed.

There are many needs in Canada. The Chrétien government has been resourceful in responding to many different constituencies. But in so doing it has not put sufficient weight on the necessity to make a large scale social advance. The New Liberalism must ensure value for money by getting the most out of existing social expenditures – it must not be afraid to make changes in Medicare or aboriginal programs. But to succeed in reforming such large programs, new money will have to be on the table. And the National Child Benefit does not need reform. It simply requires political will to allocate enough resources to expand benefits to \$4400 per child. The last election was about values: what better liberal values can there be than preserving Medicare and lifting Canadian children out of poverty?

ⁱ I am indebted for this quote to Michel J. Prince “From Health and Welfare to Stealth and Farewell” in How Ottawa Spends, 1999-2000 ed. Leslie A. Rae (Toronto: Oxford University Press, 1999) pp. 151-196.

ⁱⁱ Ibid. pp. 189-190

ⁱⁱⁱ See, for example, Thomas S. Axworthy and Martin Goldfarb, Marching to a Different Drummer: the Liberals and Conservatives in Convention (Toronto: Stoddart Publishing, 1988) and Jim Coutts, “Expansion, Retrenchment and Protecting the Future: Social Policy in the Trudeau Years,” in Towards A Just Society ed. Thomas S. Axworthy and Pierre Elliot Trudeau (Toronto, Penguin Books, 1992) pp. 221-246.

^{iv} See Michael Marzolini “The Politics of Values” in The Canadian General Election of 2000, ed. Jon H. Pammett and Christopher Donnan, (Toronto: The Dundurn Group, 2001) pp. 263-276.

^v Jon H. Pammett, “The People’s Verdict” in The Canadian General Election of 2000, pp. 302-303.

^{vi} See Michael Marzolini “The Politics of Values,” Frank Graves “Rethinking Government as if People Mattered” in How Ottawa Spends, 1999-2000, ed. Leslie A. Rae (Toronto: Oxford University Press, 1999) pp. 37-74 and Michael Adams Sex in the Snow: Canadian Social Values at the End of the Millennium (Toronto: Penguin Books, 1998).

^{vii} Graves, opcit. pp. 57-58

^{viii} Adams. Sex in the Snow, p. 175.

^{ix} See Thomas S. Axworthy. “Of Secretaries to Princes,” Canadian Public Administration. (Summer 1988) pp. 247-264.

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