

Speech by Stéphane Dion

Progressive Parties: Past Experience and Future Challenges

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I have been given the task to conclude today's conference on progressive governance and I am honoured to do so with two objectives in mind. First, I want to try to define what characterizes and distinguishes our progressive parties. Then, I want to outline that our parties have indeed the best approach to meet the challenges addressed in our conference of today: Economic and social change, poverty and development, climate change, and reform of international institutions. I will refer to our common experience, but I will draw mainly on the Canadian context and the history of my own party – the Liberal Party of Canada.

Progressive Parties

Our political parties have joined forces within the progressive governance network in order to reflect on the role governments can play in reconciling social justice and economic growth. As President Clinton said in 2003, our mission is to establish “the triumph of evidence over ideology, of experimentation over ossification, a commitment to constant change in a constantly changing time.”

We are different from traditional left-wing parties. They often share our values but their attachment to ideological dogma makes them less adaptable to our fast-changing world. And we continue to stand in stark contrast to the right-wing parties, which in the last 30 years have become much more ideological in their belief that social programs are a threat to economic growth.

Our progressive parties share the conviction that well thought-out social policies are an economic asset. Indeed, since through these social policies people become healthier and better educated, properly included in society, then they are better able and more motivated to contribute to economic growth.

During the 20th century, for the most part our countries have seen social equality rise in sync with economic development, thanks to the social institutions we have put in place. These institutions have prevented the potential inequities of economic growth from going unchecked, ensuring living conditions improve for the majority of citizens instead of merely a privileged few. Maintaining and improving these social institutions will remain necessary because the need for equality and the need to adapt to the fluctuations of dynamic economies will remain constant.

In Canada, it is the Liberal Party that has been best able to reconcile the market economy with social justice, allowing it to become a progressive party in its own special manner. Unlike European social democrat parties, it did not have to

struggle internally with traditional left-wing ideologies. Since Wilfrid Laurier became Prime Minister in 1896, our party has been able to pragmatically adapt to change and to combine economic and social interests. I would argue that we became a progressive party because we brought people together in a diverse country, and in doing so, we were well disposed to bring economic and social goals together. Early in Canada's history, Canadians realized that in order to live in peace in our huge, magnificent, but rough country, people and communities from different religious, linguistic and historical backgrounds would have to learn to accept each others' differences. For this purpose, they invented novel institutions that were founded on the people's desire to encourage peaceful cohabitation and cooperation between diverse groups.

The Liberal Party of Canada is the political expression of this desire. It has won more elections than its rivals because it has been more successful at attracting both Francophone and Anglophone voters and at encouraging elected members from both linguistic communities to work together. It has almost always been the party that has attracted a majority of Aboriginal Canadians as well as immigrants from countries all over the world. Some might brag that the Liberals made Canada what it is today, but I prefer to think that it is Canada that has shaped the Liberal Party.

It should therefore not be surprising that the Liberal Party has become the party of social justice, the party that concerns itself with the well-being of the majority, adapting to changing realities and seeking compromise between the needs of various groups rather than adhering to a rigid ideology. It is easy to identify the values and methods of the Liberal Party of Canada – they are the ones that bring us together today – but it has always been impossible to align my party with a rigid ideology.

In Canada, all major national social institutions have been established by Liberal governments. These include a universal health insurance system, federal pension and employment insurance regimes, transfers from the wealthier to the less affluent regions of our country, and aid programs for students and families with children. We are also the party that overcame decades of reluctance and fear of the unknown to enshrine the fundamental rights and freedoms of the people in our country's constitution.

Our work to further the cause of social justice has also allowed us to be the party of economic competence. When the conservative party came to power in 1984 they promised to be an economically responsible government like so many other conservative parties before and after. But by the time the Tories lost power in 1993, Canada's public debt had exploded and the budget deficit was out of control. At 42 billion dollars Canada had among the highest deficits in the OECD. But the Liberal Party, after only four years in government, cleaned up this fiscal mess by balancing the budget and beginning to reduce Canada's public debt, all the while growing the economy and reducing unemployment. As a result, Canada is now one of the OECD's least indebted countries and our fiscal framework is the envy of the G7.

In the 2006 election, the Conservative party won a plurality of seats in the

House of Commons and formed a minority government. I do not view this Liberal defeat as an indication that the Liberal Party has ceased to reflect the values and aspirations of a large majority of Canadians. Rather, this defeat demonstrates the fact that it is very difficult for a political party to remain in power longer than ten years. (To our UK hosts I want to emphasize that I say it's difficult, not impossible, even with a change of leader, and even if that leader is your former extremely successful Finance Minister!)

In my mind, a stay in opposition is an opportunity to analyze past events and to reflect on present and future challenges. It is my privilege to have the opportunity to do this with you.

Overcoming the challenges of the 21st century

In the 20th century, one of our greatest challenges was the need to reconcile social justice and economic growth. In that respect, our parties have had some real success. But we all know our work is incomplete. A dynamic economy will always open up new opportunities for some while creating new difficulties for others, and governments must be there to ensure these changes do not increase inequality. And what our parties know very well is that social justice will be more than ever a valuable economic tool in this era of globalization.

We, Canadian liberals, are convinced that a nation like ours, with only 32 million people, in the face of economic giants like China, India, Japan, the United States and the European Union, has no choice but to remove the barriers that might prevent our citizens from realizing their full potential, talent and creativity.

This is why, in the next election, my party will campaign to – among other progressive measures – reduce child poverty by one half, and overall poverty by one third throughout Canada, while undertaking specific initiatives to close the prosperity gap between Aboriginal and non-Aboriginal Canadians. We will propose important early childhood development and student aid initiatives. We will pay particular attention to newcomers because immigration is becoming the only source of workforce growth in our aging society. And we will do what it takes to help more women gain access to political decision-making circles because we believe that in order to be successful a country must break down barriers preventing half of its population from fully participating in our society.

Yes, we believe that facing globalization we need more social justice, not less. We need to give our young people the opportunity to become the skilled workers our economy needs to compete globally. Our party will have to work hard and think innovatively to develop and implement these reforms, which are needed to adapt our institutions to new realities. This will be difficult given that the current Conservative government, through ill-advised tax cuts, has annihilated its fiscal room to maneuver – an all too common Conservative mistake.

We cannot give in to the simplistic views of those who argue that social justice is too expensive in an era of globalization, and that the only way to be competitive is to sacrifice social progress in a race to the bottom. I maintain, for

example, that a universal health care system, like the one we have in Canada, ends up costing citizens less than a heavily privatized system, like the one we currently see in the US, while providing a much better level of accessibility. Some US companies have complained that Canada's health system provides Canadian companies with an unfair competitive advantage. Well, it is very fortunate that what is fair is also economically beneficial.

Another huge challenge, perhaps the most important challenge of the 21st century, is the need to reconcile economic growth and environmental sustainability. And it is clear that tackling this challenge requires active governments. In the 1950s, London was famous for its smog. Today its air quality has improved significantly, not spontaneously through the free play of market forces but because of smart and bold municipal and national policies.

Global warming is undoubtedly a difficult challenge, and the stakes are very high. The economic fatalists believe we can't fight this threat without wrecking our economies. We must prove them wrong. We must develop a new growth model. We must show that economic progress, a key component of our quality of life, can be achieved by reducing our resource consumption and greenhouse gas emissions. Economic efficiency and environmental sustainability are not mutually exclusive. They need to be mutually reinforcing.

Canada has a huge landmass and its northern regions are particularly vulnerable to global warming. This means Canadians have an even greater responsibility to protect our planet. Canadians are guardians of a significant share of humankind's natural heritage. I think our citizens have grasped this responsibility much quicker than their politicians. When the Conservatives took power in 2006, they cancelled the climate change and environmental programs we had put in place, making two contradictory arguments: first, that there is no climate threat; second, that it would cost too much to fight it. Since then, public pressure has forced them to back down – at least in words – and to pretend they are serious about the environment. But in international negotiations, they have consistently taken the side of those who try to derail cooperation. For Canadians, this is a very unusual and uncomfortable position.

This leads me to the issue of international cooperation. Without much improved cooperation between nations, there is no way we can develop fairer global trade or protect our planet from the damage of climate change.

The opportunity is there! Interstate conflicts are less severe today than they were in the middle of the last century. Humankind has never before been so economically and environmentally interdependent than now. Never before have effective international institutions founded on the principle of cooperation been more necessary. And yet so far, on this issue of international cooperation, the early 21st century has been quite disappointing. We must adapt the UN, OECD, NATO and other multilateral institutions to the needs of today's world.

So too must we adapt our approach to global trade. We know that we will not help the poorest nations of the world or the poorest citizens within our own countries through protectionism. So our mission is to find the best way to

preserve the benefits of free trade while reducing its negative impacts on our most disadvantaged citizens. And we must also find a way to harness the power of international trade to fight the climate change crisis. We need to dare to imagine what a global carbon market would look like and work together to build it.

In war and peace, Canada's policy has always been to cooperate with all nations that defend freedom and justice. Canada played a significant role in the creation of the UN, NATO and peacekeeping forces. Most Canadians believe that the most sensible policy for Canada, the one that best defends our interests and our place on the world stage, is to cooperate with other nations within the framework of multilateral institutions. You can count on the Liberal Party of Canada to honour and – I must say – reinforce this great multilateral tradition of our country.

Meetings such as this one are an important part of this multilateral effort because they help us understand one another better, learn from each other and compare our parties' respective experiences. You can depend on the Liberal Party of Canada to promote cooperation between progressive parties so that each of us at home and together internationally, we work toward a richer, fairer, greener world for the citizens of today and the generations to come.