



# THE RISE AND FALL OF ECONOMIC AND SOCIAL RIGHTS: WHAT NEXT?

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*This article was adapted from a speech he delivered in Montreal on May 29  
to the Congress of the Canadian Federation for the Humanities and Social Sciences.*

In 1948, when shown a copy of the newly drafted Universal Declaration of Human Rights, a cabinet minister in Ottawa derisively commented that it would have no “great political usefulness, either internationally or nationally, in any country.”

Had I been politically active at the time, I would certainly have disagreed with him, as I have since disagreed with quite a few cabinet ministers. I am firmly on the side of Nelson Mandela, who has acclaimed the Universal Declaration as one of the great documents of the 20<sup>th</sup> century. He was surely right. Not only has much of its wording found itself reproduced in dozens of modern constitutions, including Canada’s, but its rich provision of human rights also continues to inspire activists in every culture and at every stage of development throughout the world.

I believe this remarkable document continues to inspire universally for two reasons. The first is that it grounds its claim for rights not on the will of God, nor a law of nature, nor on “man” as a reasoning creature, but rather on the proclaimed fact that every woman and man has an inherent and equal right to a life of dignity.

And secondly, it follows up this general claim with a list of quite specific civil, political, economic, social, and cultural rights that are deemed to be essential if such a life of dignity is to be achieved.

That political and civil rights were included in the Universal Declaration back in 1948 was no surprise. After all, many of those rights had been fought for and won in a long struggle that started back before the Enlightenment. What was new in the Declaration was the inclusion of economic, social, and cultural rights. They were included because of the profound transformation in political thinking and practice that had taken place almost overnight in the North Atlantic democracies.

After the Second World War, there was no atavistic yearning for the restoration of the old order. On the con-

trary, at the war's end the New Deal was at its height in the United States. And in his last State of the Union address in 1944, President Franklin D. Roosevelt told his fellow Americans that, in the pursuit of happiness, political and civil rights were insufficient. To fill this gap, he urged the U.S. Congress to produce an Economic Bill of Rights. He died shortly afterward, and his last idealistic legislative proposal died with him.

A year later, however, the Labour Party in Britain, campaigning with a wide-ranging social and economic rights agenda — in pensions, health, education, employment — was swept to power. And in Canada in the same year, no doubt prodded by the CCF's previous victory in Saskatchewan and second-place finish in Ontario a year earlier, the federal government committed itself to broad social and economic change that was to usher in the Canadian welfare state.

It was not a coincidence, therefore, that the Universal Declaration consists of a whole family of rights, some old and many new. Most had already been implemented in the leading democracies. Nor was it simply a list of different categories of rights. They were all seen to be related.

John Humphrey, the distinguished Canadian professor of law at McGill University who wrote the first draft of the Declaration at the request of Eleanor Roosevelt, explained the thinking of the New Age and the ideas embedded at the heart of the document.

"Human rights without social and economic rights," he wrote in his autobiography, "have little meaning for most people."

Before the war and leading to the Great Depression, governments had wanted economies to be left unregulated and social services to be provided largely by churches and charities. This was no longer to be the case. Instead of handouts for the sick, the unemployed, the poor, the elderly, and the undereducated, post-war citizens (including, importantly, returning veterans) demanded government action. They insisted that charity be replaced by rights. If there was to be human dignity for all, then democratic nations had to change their political and economic philosophy. And thus, as Humphrey said, his draft of the Universal Declaration — which was accepted in all of its essentials by the United Nations committee chaired by Eleanor Roosevelt — "attempted to combine humanitarian liberalism with social democracy."

Seen from our distant perspective, what stands out about the first three decades after the war in Canada, and in the rest of the North Atlantic world, is the new historical consensus on certain fundamentals. In the midst of the Cold War, through ups and downs of the economic cycle, amidst many partisan disputes on other matters, governments at home continued to expand upon what they had agreed to do internationally in 1948.

In broad terms, Canadian parties that had been right of centre before the war shifted to the left. There emerged a significant but unstated operating consensus among all the parties. Left behind was the view that individuals and the economy should be left to themselves. Canadians were to have a market economy, but not a market-*determined* society. Both for equity and stability reasons, it was widely recognized that the democratic state had to play a continuous intervening role in the economy. Otherwise, another deep depression was considered unavoidable, and in that event the social rights listed in the Universal Declaration would remain a utopian dream.

What had previously been seen as unacceptable for the state became, seemingly overnight, the new status quo. Benefits hitherto thought to be optional charitable provisions were now rights of citizenship. Fuelled by a market-based economy and guided by Keynesian economics, governments — whether Labour, Christian

Democrat, Socialist, Conservative, or Liberal — continued to implement a broadly egalitarian agenda.

Government expenditures as a percentage of GDP continued to increase — and most of the increase went to the new social rights or other equality-building measures. All of the North Atlantic democracies continued to expand the range of civil and political liberties. By 1976, with the sole and significant exception of the United States, they had also ratified the Convention on Economic, Social and Cultural Rights.

Illustrative of this new development was the Parliament I was part of when I became federal leader of the NDP in 1975. When it came to social policy, the Liberals led by Pierre Trudeau and the Conservatives led by Robert Stanfield differed from the NDP on social policy more often on speed and detail than on the general direction. Trudeau had campaigned on the “just society” agenda, and Stanfield openly accepted Medicare. The commonly assumed future for Canadians was to achieve increasing equality through redistributive taxation and a wide range of social and economic rights. Although many certainly remained poor, these decades were the Golden Age of the “common man,” to use the language of the period.

During these remarkable 30 post-war years, for the first time in history life for the average family actually began to live up to the egalitarian rhetoric that had been vented from the 17<sup>th</sup> to the 19<sup>th</sup> century. The wonderfully precise definition of democracy coined by Abraham Lincoln was at last becoming a reality in the lives of the majority: finally, they had governments that were not only by and of, but also *for* the people.

What emerged from this thinking was a Canada characterized by a wide range of new social and economic entitlements: government pensions, universal health care, trade union rights, comprehensive unemployment insurance, the expectation that every boy and girl with ability could go to university — and all were paid for by adequate levels of progressive taxation. Benefits that were once available mainly as means-tested charitable benefits had become citizens’ rights guaranteed by the state.

Achieving more equality in their everyday lives, Canadians also became a nation of greater social cohesion. We actually started to describe ourselves as “sharing and caring.” This higher level of social and economic equality also produced greater tolerance and a reaching-out to provide new freedoms: to women, to First Nations, to gays, to the artistic community, and to ethnic minorities. Multiculturalism, so much a matter of contention in Europe, would become, as it largely remains, an accepted reality in Canada.

These new freedoms were best illustrated by the civil society activism and political leadership that led to the broad-ranging rights provisions for individuals and groups included in Canada’s new Charter of Rights and Freedoms, adopted in 1982.

## The New Barbarism

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However, long before the crash in the global economy in the fall of 2008, Canada and many other Western democracies had undergone an ideological and material reversal. Writing in the *New Yorker* magazine two years ago, David Frum, the Canadian-born ideologue of the American right, asserted that the small-“c” conservative revolution launched by Margaret Thatcher and Ronald Reagan in the 1980s had as its purpose the rolling-back of the “social democratic” model I have just described.

What needs stressing about this shift in political priorities is that, when a political party or its leader advo-

cates the slashing of health, education, welfare, and housing benefits, they are simultaneously attacking social rights.

When Canada signed on to the Covenant on Economic, Social and Cultural Rights in 1976, it did so only after every provincial government had also committed itself in writing. From that date on, such rights were not simply Canadian aspirations, as some contend. As High Commissioner for Human Rights Louise Arbour pointed out, they became legally binding. (“Economic and Social Justice for Societies in Transition,” NYU School of Law, N.Y., Oct. 25, 2006.)

Although the open assault on our social rights began at the provincial level in Ontario when the red Toryism of Bill Davis was repudiated by Mike Harris’s new brand of conservatism, it spread to federal politics in the 1990s. This became clear in the middle of that decade after the deficit had been eliminated and has continued to the present. Federal programs were not simply adjusted; they were abolished. Budgets were not simply reduced; they were slashed. Income taxes needed for the restoration of social programs were not only cut, but also made less progressive.

Not surprisingly, then, during the period 1995–2005, the rich continued to get richer, and by 2007 the percentage of poor children rose back to the shameful level it had reached in 1989, when Parliament voted to eliminate child poverty by 2000. The promised universal child care program was never delivered, and national housing programs disappeared. And, by simply replacing targeted transfers to the provinces, the federal government allowed money intended for post-secondary education to be spent for other purposes, and some provinces did just that.

Reflecting the ideological shift at the time, Liberal Minister of Finance Paul Martin actually boasted that government spending as a proportion of GDP had been reduced to the level it was at in 1951. The government went on to reduce capital gains taxes and to carve nine points off the income tax rate of the wealthiest Canadians.

It’s important to note that, even at the peak of the deficit problem, alternative policies were available. In continental Europe, it is widely accepted that higher and more progressive taxation is needed to maintain an equal social rights-based notion of citizenship. Even in the U.S., in dealing with a similar deficit problem in the 1990s, President Bill Clinton (although he did further deregulate the financial sector) made few changes in social policy. Instead, he dealt with the U.S. deficit by relying on economic growth and tax increases on upper-income Americans.

The scale of the increase in inequality and the reduction of social rights, beginning in the last decade of the 20<sup>th</sup> century, is immense. Keep in mind that most Western economies, including Canada, had experienced the best decade of economic growth in 40 years, a period which the trickle-down soothsayers said would benefit everyone. Between 1998 and 2007, the average wage of full-time workers rose from \$33,000 to \$40,000, but that was less than the rate of inflation. During the same period, the top 1% of Canadians increased by 100% their share of total wages and salaries, and the compensation of the top 100 CEOs tripled, from an annual average of \$3.5 million to \$10.4 million.

The vast majority of Canadians actually experienced a downward shift in their share of the national income that they had worked to create. Seventy per cent of Canadian households have a smaller share now than they had at the end of the 1970s. A final statistic: excluding the elderly, the bottom 50% of Canadians have lower after-tax incomes than their equivalents in the late 1970s.

The present Conservative federal government has continued the preceding Liberals' onslaught on social rights and equality. As a consequence of the continuing underfunding of social spending and irresponsible tax cuts disproportionately favouring the rich, for many Canadians it came as no surprise when we were admonished by the United Nations in 2007 for failing to live up to our obligations under the Covenant on Economic, Social and Cultural Rights.

This was followed in 2008 by an OECD report showing that growth in inequality in Canada is now among the worst in the OECD.

This, then, was the social and economic rights legacy of recent federal governments leading into the crisis in the fall of 2008. We in Canada can congratulate ourselves about the relatively healthy structure of our financial institutions, but we must not allow this to obscure the other, deeper democratic problem of the alarming assault on social rights and the increase in inequality that is now at least being openly debated in Europe. In fostering this decline in equality, what recent federal governments have done is not only to reject the political legacy of the CCF and the NDP, but also that of Prime Ministers Lester Pearson, John Diefenbaker, and Pierre Trudeau — all of whom came to see social programs and redistributive income taxes as important stabilizing and equalizing forces in the economy.

## New Evidence About Equality

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Under the leadership of the post-WWII generation, Canadians began to transform themselves in the 20<sup>th</sup> century. It was a transformation that was picked up by my generation of politicians and reflected to some extent in all of our political parties. Under various political labels, as a nation we had embarked on a progressive agenda which combined a regulated and efficient market-based economy with strong social rights and fiscal policies aimed at overcoming poverty and achieving greater equality.

It is this democratic journey that has been so dangerously undermined — not by inherent forces in the economy, but by willful decisions made by politicians. Ideology matters. Values, good and bad, have consequences.

The progressive politics of my generation were driven by the equality agenda because of ethical considerations, and also by concern for macro-economic stability, both of which were the outcomes of war and economic depression in the 1930s and '40s. However, we now have recent and clear evidence that more is at stake than stability and ethical concerns about equality. More equal societies are not simply more stable and just; they are also *healthier* in virtually every respect for everyone in them.

Bringing together data from a large number of international studies (UN, World Bank, U.S. Census, Statistics Canada), two leading British epidemiologists, Richard Wilkinson and Kate Pickett, in their book, *The Spirit Level*, published here last year and recently made available in paperback (*see the review on Page --*), show the society-wide positive social consequences of more equality.

As a result of their comprehensive analysis of data from dozens of countries, we now know that ethical concerns and practical benefits come together: that equality works.

Their research has shown that more equal nations like Sweden, Norway, and Denmark are better off in al-

most every way. Their citizens are healthier, live longer, have fewer teenage pregnancies, are more law-abiding, participate more in civic projects, and are more trusting of their neighbours.

Contrary to those who claim freedom is sacrificed with more equality, for the great majority the opposite is true. With more equality, there is a greater flourishing of the kind of responsible individualism and citizenship favoured by the great liberal, John Stuart Mill. Transcending any differences in religion, language and culture, it is the higher degree of equality that makes those nations so much better off than the U.S. or the U.K., which are the most unequal.

I repeat and emphasize that, once a certain minimum level of wealth is reached in a country, the evidence shows it is not more growth but more equality that leads to a better quality of life for everyone.

Wilkinson's and Pickett's work shows that unequal societies are not only unfair; they are also dysfunctional. The status-related insecurity and anxiety produced by unequal societies promote more isolation, social estrangement, and negative health outcomes than in societies that are more equal. All citizens, not just the poor, are worse off. Rich and highly educated British and Americans do worse in health outcomes than their equivalents in more equal societies. Furthermore, the evidence also indicates that more equality leads to higher levels of social mobility. Contrary to popular mythology, upward mobility is considerably lower in the U.S. than in the Nordic countries.

Regrettably, Canada is also moving backwards. Although in about the middle of the pack, we are becoming more unequal more rapidly than most of the countries studied. The implications are clear: Once we are out of the current crisis, if we keep promoting more growth instead of more equality, we will continue to foster only more negatives in health and social behaviour. Such a policy could hardly be more dysfunctional. Low wages, low welfare benefits, and regressive tax policies are not only ethically unfair for the poor whose market-based incomes are the lowest, but they are also attacks on social rights. And because such policies maintain or increase inequality and exacerbate social tensions and anxiety in general, they are also bad for everyone else.

In contrast, stronger social rights and more equality have society-wide benefits for all classes: lower, middle and upper.

The percentage of Canadian children living in poverty is little different from what it was 20 years ago. Every day more than half of unemployed men and women are denied EI benefits; all across Canada middle-income families are re-mortgaging their homes so their kids can go to university; and in every community seniors are being forced back to work because their pensions have been wiped out since our OAS and CPP are now so inadequate.

Based on recent evidence, the policy implications are clear. More growth alone won't fix Canada, but sharing our money more equitably, as other democracies have shown, can make a huge difference.

What, then, should we do? Instead of federal governments continuing to treat expenditures on social rights as no different from those on infrastructure, and thus vulnerable on an equal basis to cutbacks, the government must take seriously its legal obligations which came into effect in 1976. Spending on social and economic rights is not an option, like whether or not to build a new highway. *It is a legal as well as moral requirement.* Nor, as some would contend, are such rights any less important than political and civil rights.

As the president of Rights and Democracy, I was pleased to have played a small role at the United Nations Conference on Human Rights in Vienna in 1993. Governments at the conference not only made a

breakthrough for women when they affirmed that a special category of rights pertinent to women are human rights, but they also reaffirmed the inextricable, interdependent connection between all categories of rights.

Louise Arbour also emphasized this point in her speech four years ago, noting that governments attending the 2005 Heads of State Summit (including Canada) had recommitted themselves to this pledge. She summed up the point this way: “Along with civil and political rights, economic, social and cultural rights now have the status of binding law in numerous human rights treaties, regional human rights systems and constitutions.”

## A New Direction Needed

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It is time to reverse the growing trend to deep inequality in Canada. It is time for the federal government to fulfill its legal responsibilities for enforcing the Covenant on Economic, Social and Cultural Rights. The Covenant is quite clear on its obligations. We are required, to the maximum of our available resources, to progressively realize its quite specific list of rights. This requires positive action by governments, among other obligations, to build hospitals and schools, provide adequate pensions, ensure employment insurance for all workers, guarantee equal pay for men and women, and create and enforce laws enabling workers to have unions.

Since 1976, we have created the Constitution Act of 1982, which contains in Section 36 a commitment by the federal and provincial governments to ensure the well-being of all Canadians, and to implement an equalization process that would enable all provinces to provide services on a comparable basis and at comparable levels of taxation.

What we now need to do, at a minimum, is to have a regular nation-wide independent assessment on how all governments are living up to their social rights obligations. Parliament, in the office of the Auditor-General, has created a vital accountability mechanism for supervising and assessing the adequacy of all federal expenditures. We need an equivalent body to do a stipulated periodic assessment of the adequacy of Canada's spending on our social rights obligations. A report should be submitted to Parliament, not the government, say, every three years.

Since our social rights are at both the federal and provincial levels, such an audit would also need to apply to both levels of government. Although such a social audit would have powers simply to analyze, report, and make recommendations, its effects could be quite significant. Just as the Auditor-General's annual report mobilizes significant public opinion to put pressure on the federal government to take into account its findings and recommendations, so also could a non-partisan social audit have the same positive effect on our social rights.

## Time to Act

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In addition to such a social audit, other immediate action is also required. Indeed, the House of Commons finally indicated an awareness of such a need last November, when it adopted an all-party resolution directing the government to “develop an immediate plan to eliminate child poverty in Canada for all.” The federal government should act on this. In doing so now, it would have strong support from the people of Canada. In an Environics poll taken in the fall of 2008, 90% of Canadians said they wanted the federal government to take leadership in reducing poverty.

In virtually equal numbers (89%), they called for the Prime Minister and the Premiers to set targets and timelines to achieve this objective. Earlier this year, a Manning Institute poll confirmed that 82% of Canadians believe government should play a role in reducing the gap between rich and poor.

Six provinces — Ontario, Quebec, Newfoundland and Labrador, Nova Scotia, New Brunswick and Manitoba — have already embarked on their own agendas for reducing poverty and inequality. Representing the large majority of Canadians, these provinces have responded to what that majority desires. The plain truth is that people in every region of our country also want a turnaround in social policy at the federal level.

In the last election, over 60% of Canadians voted for parties promising redistributive policy initiatives in housing, pensions, employment insurance benefits, post-secondary education, and programs for people with disabilities. These all involve social and economic rights, and polls taken since then continue to find strong support for moving in this direction.

Now is the time for the federal government to join in and do its share. Now is the time to act on behalf of the poor and to work for more equality. Now is the time to live up to our decision made in 1976 to build a Canada committed equally to *all* rights — economic and social, as well as political and civil.



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