

RESEARCH - ANALYSIS - SOLUTIONS

CCPA REVIEW

Economic & Social Trends

August 2012

Manitoba's NDP: time to return to its social democratic roots

In June, 1969, Manitoba elected Canada's first NDP government and Manitoba's first social democratic government. The NDP has since become the dominant political party in Manitoba, winning 8 of the last 12 elections and governing for almost two years in every three since June, 1969. The NDP's latest run as government began in 1999.

The Schreyer Years

The first NDP government, led by Ed Schreyer, consisted of a diverse group from different backgrounds, bound together by a belief that government can and should act to improve conditions in society. Schreyer and others characterized themselves as democratic socialists or social democrats. They implemented public auto insurance, eliminated Medicare premiums, and amalgamated the City of Winnipeg and surrounding municipalities. They adopted measures to reduce poverty, improved labour standards and industrial relations legislation, and built public housing for seniors and families. The NDP's philosophical emphasis was on reducing income inequalities, enhancing the lot of those in

low and modest income groups via the provision of goods and services through the public sector, and increasing equality between men and women. Some of the ideas that emerged from debates within the party were quite radical. For example, regarding equality, Schreyer stated that an objective of his government was "to reduce differentiation...bring about greater equality...and reward the dignity of work," and he proposed that the ratio of incomes for those at the top of the income scale, to the incomes of rank-and-file workers, be no more than 2.5 to 1.0. This is a far cry from today's scandalous gap between the rich and the rest of us. Significant change in global and national economies, including stagflation and growing opposition to workers and unions, constrained the Schreyer government. Nevertheless, during their second term, 1973-1977, they implemented: Canada's first comprehensive, province-wide, universal home care program; the Marital Property Act, providing for equal division of assets between husband and wife on the break-up of a marriage; more public housing; and a partnering with the federal

The Review of Economic and Social Trends is available free from the Canadian Centre for Policy Alternatives. Each issue features new independent research and analysis on current social and economic issues affecting Manitobans. For more information or to provide feedback please call or write:

309 - 323 Portage Avenue, Winnipeg, MB

R3B 2C1 ph: (204) 927-3200 fax: (204) 927-3201

c c p a m b @ p o l i c y a l t e r n a t i v e s . c a
w w w . p o l i c y a l t e r n a t i v e s . c a

government in an experimental program in Dauphin, called “Mincome”, to determine whether a guaranteed, unconditional amount of income caused disincentives to work. Mincome lasted from 1974-1979. Sufficient funding to analyze the data properly was never provided, but economist Evelyn Forget’s research has shown that Mincome produced many positive results.

The Schreyer government also utilized hydro-electric power to promote economic development. In 1966, the then Conservative government approved a hydro project that would have diverted the flow of water in the Churchill River to the Nelson River. The original plan was for a 35 foot high diversion, despite warnings that this would cause massive human and environmental damage. The Schreyer government approved the Churchill River Diversion, but cut it to 17 feet from 35 feet. The costs of the flooding were reduced, but still extensive: great human damage was done to northern Aboriginal peoples. It is estimated the costs of redressing the damages caused by the diversion since 1970 now exceeds \$700 million; the damage caused to many Aboriginal people and their families can never be redressed. The Pawley and Doer/Selinger governments have continued to promote hydro development, but there have been significant improvements in handling environmental issues and consulting and involving Aboriginal peoples in these later developments.

The Pawley Years

Howard Pawley led the NDP to a majority government in 1981, after a single term of a right-wing Sterling Lyon-led government committed to “acute, protracted restraint.” Like Schreyer, Pawley used government to reduce inequalities and to nurture economic growth, and worked to establish a closer relationship with organized labour. Pawley assumed office when the national economy was slipping into the deepest recession since the Great Depression of the 1930s. It was necessary to find ways to counteract recessionary pressures. At a time when Margaret Thatcher and Ronald Reagan were newly triumphant and starting the long, right-wing reign of neoliberalism, Pawley’s NDP government swam against the current. They negotiated a social con-

tract with the Manitoba Government Employees’ Association, then headed by Gary Doer, established a Jobs Fund to create employment, and accelerated capital projects. Again, equality was central: Pawley argued that the objective “was to gradually reduce sharp disparities in income distribution.” As a result of this commitment to greater equality via an activist government, Manitoba’s economy performed well relative to other provinces. During Pawley’s two terms in office important changes were made to labour and employment standards legislation, including First Contract and Final Offer Selection legislation and pay equity. Improvements in the minimum wage and social assistance were made and substantive changes improved Workplace Health and Safety legislation. The Pawley government added “sexual orientation” to the Human Rights code and made important changes to environmental legislation. Equally important, Pawley and his government constantly worked to build the party through annual conventions that brought rank-and-file members and caucus members together to debate policies and party principles. This led to the passing at Convention of a Statement of Aims, inscribed on NDP membership cards, that reads in part:

- ❑ Our society must change from one based on competition to one of cooperation.
- ❑ We wish to create a society where individuals give according to their abilities and receive according to their needs.
- ❑ Our purpose as a movement is to foster social change toward a more cooperative society. Our purpose as a political party is to develop a public mandate for that social change through giving individuals greater control in the economy, in their workplaces, and their community.

Like Schreyer, Pawley and his government worked hard to promote greater equality, citizen participation, stronger unions and a positive role for the state. The results benefited most Manitobans. In 1988 the Conservatives, led by Gary Filmon, replaced the NDP and governed until 1999. Filmon and his government embraced all the Thatcher/

Reagan nostrums: smaller governments, balanced budgets, and removal of trade union rights to promote competition in labour markets. The deficits resulting from another deep recession in the early 1990s provided the pretext for Filmon to slash government spending on health care—notably cuts to the training and employment of health care professionals—as well as post-secondary education, social welfare and housing. Filmon introduced work for welfare, pushed down the real levels of minimum wages, changed certification procedures making it more difficult for workers who wanted to do so to unionize, took rights away from teachers, and imposed compulsory days off without pay known as “Filmon Fridays.”

Filmon’s legacy was three-fold: a much-diminished public sector; a dramatic increase in severe poverty and related problems; and a weakened economy.

The Doer Years

Filmon was defeated by Gary Doer’s NDP in 1999. In their first term the Doer government worked to undo some of the more reactionary measures of the Filmon government. Card-based certification was brought back, to facilitate unionization where desired by workers, albeit with a 65 percent threshold rather than the 55 percent when Filmon took office. Action to correct the damage done to the health care system included more resources for the updating of hospitals and technology, more training places for doctors and nurses to start the long climb back from the damage done by Filmon’s cuts to training spots, and the establishment of a plan to improve accessibility to sophisticated treatments—kidney dialysis, chemotherapy etc.—outside Winnipeg. There was also a push to expand education: more resources to school divisions and post-secondary institutions, and the freezing of post-secondary tuition fees. The government also eliminated some of the worst abuses inflicted on social assistance recipients by the Filmon governments.

The NDP had established a vision consisting of five key elements: protecting and enriching health services; expanding universities and especially community colleges and increasing the numbers in apprenticeship programs; expanding immigration

to Manitoba; developing more hydroelectric power to fuel energy exports; and adjusting taxes to remain “competitive” with the resource rich provinces to the west.

However, after the early measures to compensate for the worst excesses of the Filmon administration, Doer relegated to the margins important components of the Schreyer/Pawley eras, particularly the social democratic commitment to reducing poverty and inequality, and to nurturing the growth of unions. This change can be attributed in large part to the pervasive influence of neoliberal ideas and the reluctance of the government to depart too far from what had become entrenched political wisdom in Ottawa and beyond.

The Schreyer/Pawley governments had been characterized by their willingness, at least occasionally, to challenge mainstream political ideas in pursuit of policies that embodied their social democratic principles. The Doer governments largely abandoned the idea of challenging dominant ideas, substituting the tactical notion of “inoculating” themselves against criticism from established powers by giving to those—mostly corporate and media—powers what they asked for, and hoping that some, albeit reduced, revenues would still be left to commit to progressive purposes. This was a deliberate strategy, specifically articulated in an important article written by the late Donne Flanagan, then a senior advisor to Doer. It meant no more challenging of dominant ideas and powerful forces; they were to be acceded to. The result, inevitably, was a steady slide away from social democratic principles, reflected for example in a refusal to increase social assistance rates, especially the shelter allowance component of those rates, and an embargo, with minor exceptions, on improving and adding to social housing. Nor was there any willingness to build on the evidence from the Mincome experiment of the Schreyer years, to develop a more progressive and egalitarian approach to income support for the poor.

While Doer won re-election three times, and thus must be seen to have satisfied, at least compared to the alternatives, a significant proportion of Manitoba's voters, there was a noticeable backing off from the principles that had driven—however many compromises were required along the way—the Schreyer and Pawley governments.

The Selinger Years—So Far

When Gary Doer left to become Ambassador to the USA, he was replaced by Greg Selinger. Selinger's election as party leader, and his defeat of the party establishment's much more conservative candidate, was in large part the result of the mobilization of many of the most progressive elements of the NDP, acting in the belief that Selinger, given his inner-city and anti-poverty background, would return to the more progressive—and successful—approach to governance of the Schreyer and Pawley years, and would govern in a fashion more consistent with social democratic principles. To date, however, the Selinger government has adopted an approach more like the cautious and centrist Doer governments, than the more activist and egalitarian Schreyer and Pawley governments.

For example, the Selinger government has been reluctant to clear away the obstacles to trade union certification and to alter the terrain of industrial relations by curbing the advantages now enjoyed by employers when dealing with strikes and lockouts. While Manitoba unions have managed to improve the unionization rate despite this failure, they have had little success in overcoming the regressive changes to labour legislation relating to employer "free speech"—allowing employers to threaten workers during a unionization drive—made by the Conservatives. These problems are likely to worsen with the growing presence in Manitoba of anti-union firms such as Walmart and Target. In the last round of cabinet appointments, Selinger combined Labour with Child and Family Services, the latter a particularly large and complex portfolio, a change that we fear does not bode well for Manitoba's labour movement. Taking steps to make it easier to form unions is exceptionally important if Manitoba is to return to a more progressive and egalitarian

approach to governance, since unions—contrary to the propaganda aggressively promoted by the likes of the federal Harper government and their allies the Fraser Institute—have always been a driving force behind improvements in living standards and human rights for the majority of Canadians.

The Selinger government has taken some important anti-poverty initiatives—for example the commitment to build 500 units of social housing per year for five years, the renovation of large numbers of public housing units and financing of social improvements in low-income areas through initiatives like Neighbourhoods Alive! However, despite these important initiatives, the current government has not adopted a coherent and aggressive anti-poverty strategy. The heart of such a strategy would be substantial and consistent public investment in solutions that have proved to be effective, and it would include targets, timelines and enforcement mechanisms. Rather, the government's approach is found within their All Aboard Strategy, a piecemeal strategy that while far better than what the Conservatives would deliver, is not nearly enough to solve the deeply entrenched poverty that so characterizes Manitoba and Winnipeg. The result is that homelessness, food bank dependence and the violent activities of street gangs persist. To make these matters worse, the Selinger government supports the hard-line, lock 'em up approach to crime that the federal Harper government is implementing. This is deeply antithetical to social democratic principles.

It is unlikely that this situation will soon improve. The Selinger government is now boxed in by its commitment to achieving a balanced budget in 2014 and its indefensible unwillingness to challenge dominant thinking about the need to increase tax revenues. On the contrary, this government continues not only to reduce tax rates, but to boast about doing so. Finance Minister Stan Struthers concluded his 2012 budget statement by saying that cumulative tax cuts since 1999 had "saved" Manitobans more than \$1.2 million. This is nothing to boast about, at a time when inequalities are growing ever wider and poverty ever deeper, with all the adverse consequences this is known

to produce. Indeed, the Canadian Centre for Policy Alternatives-Manitoba's work on the social determinants of health shows clearly that investing now to reduce poverty and inequality produces future benefits. These include, among others, improved health and educational outcomes, greater labour market attachment, and reduced levels of crime, all of which would produce significant fiscal benefits. Such measures would also, of course, be consistent with the progressive legacy of the Schreyer and Pawley years, and their governments' commitment to social democratic principles.

But to take these positive steps—to use the powers of government to reduce poverty and inequality and remove barriers to unionization, for example—would require the government to challenge some of the dominant political ideas of the past 30 years. This the government seems unwilling to do, despite a wealth of evidence that it is these very ideas that have created growing inequality and poverty, and that have driven the global economy to the state of crisis that is apparent to even the most casual observer today.

What Next for Social Democracy in Manitoba?

We need a return—a hard-headed, pragmatic return—to the social democratic principles by which the Schreyer and Pawley governments were at least partly characterized. Those principles include a commitment to: moving constantly and purposefully toward greater equality and reduced poverty; using the powers of government as a positive force; building the strength of the trade union movement, on the grounds that doing so increases the likelihood of our moving collectively in the direction of social democratic goals; promoting the mobilization of the members of the NDP and Manitobans more generally, and involving them in an ongoing debate about the future of our province; and a willingness to challenge dominant thinking and powerful interests—for example, with respect to taxation to generate the revenue to solve real problems,

and legislation to facilitate unionization, and a more progressive and effective approach to crime—in pursuit of a more just and egalitarian society.

If the Selinger government does not begin to move in this direction, it is our opinion not only that real problems will not be solved, but also that the government is unlikely to be able to mobilize enough enthusiasm from Manitobans to win the next election. That would return Manitoba to an alternative that, as developments at the federal level are showing, is increasingly vicious.

Errol Black and Jim Silver



CCPA
CANADIAN CENTRE
for POLICY ALTERNATIVES
MANITOBA OFFICE

The Canadian Centre for Policy Alternatives is an independent non-profit public policy research institute.

For information about publications or forthcoming events, or to become a member please phone or write:

309-323 Portage Avenue, Winnipeg, MB R3B 2C1

ph: (204) 927-3200 fax: (204) 927-3201

ccpamb@policyalternatives.ca www.policyalternatives.ca