

THE TWO FREEDOMS and CANADA'S SOCIAL CHALLENGE: A MOMENT OF OPPORTUNITY

Notes for a keynote address

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It is an honour to be here tonight, and be invited to share a few thoughts. That I am standing in for Minister Duclos strikes me as a tribute to how the capriciousness of conflicting schedules produces truly odd circumstances. I am, of course, officially and deeply nonpartisan in my role as the 5th Master of Massey College. The fact that a Master of Massey College - who, while nonpartisan, is also, as a matter of religion, an unrepentant and deeply observant red Tory - is standing in for a distinguished labor economist, and Minister in a Trudeau Liberal government, is, I expect, as surprising to him as it is to me. But I am delighted to do so. First, because Minister Duclos has written for the IRPP on both sides of the guaranteed annual income divide, and anyone who writes for the IRPP - Canada's finest think tank - deserves our respect and appreciation. And second, because QIISP has been and remains a serious mecca for careful and thoughtful discussion, insight, and discovery on critical social policy challenges at home and abroad. It is one of Queen's most compelling contributions to the evolution, development, and understanding of the broad and evolving social context at home and abroad. Those who have worked diligently on it from year to year deserve immense gratitude and appreciation from all who share a genuine appreciation for the sinews of civility and architecture of opportunity so fundamental to a modern balanced context for a market economy that has some room for fairness and humanity.

Your subject focus this year is particularly apt and necessary. We are at a moment in time, and in the political economy of the western world, where to imperative for innovation is as compelling as the risks of not doing so.

Allow me to explain.

However one views the linkages between foreign and domestic policy in the democracies and economies of the west, some conclusions are unavoidable.

Since the end of the post war boom in Canada, the UK, the US, Europe and Japan - where between 1950 and 1975 middle class growth and expansion grew at the expense of the most wealthy among us- and liberating innovations like social security, seniors' pensions, universal health insurance, enhanced post-secondary access and assisted middle class home ownership were embraced in rational societies to the

benefit of millions, we have seen a fall back both in aspiration and policy. Unemployment among young people is dangerously high. The concentration of intense and multi-dimensional wealth in fewer and fewer hands has proceeded apace - producing a strong sense after the 08/09 credit collapse worldwide, but initiated by the gaming of Wall Street - that there are separate sets of rules on taxation, fairness, accountability and duty depending on how rich one might be. Whether that perception is fully accurate, overblown, or a sensationalized over reaction is an interesting question, but not necessarily a germane question to the strategic choices and tactical micro choices we must face.

The two freedoms - those circled by Roosevelt and Churchill when they met 75 years ago at Placentia Bay, Newfoundland, in the face of a Nazi onslaught that threatened civilization itself - embraced freedom from fear, and freedom from want, with the intent and purpose of equality.

We know what the absence of those freedoms produces through history. There is a reason the OECD and the UNDP report that the world's most violent countries are also the most grindingly poor; parts of the mid-east today, North Africa, and Sub-Saharan Africa see sad witness to this rule.

Elsewhere, I have argued that the advancement and protection of these two freedoms should be at the centre of our foreign policy purposes. As a modern society committed to the liberal democratic order - which the establishment of the UN, its declaration of international human rights, NATO, the EU, and Breton Woods, were established to protect we have no other choice but to have these two freedoms as our primary purpose, assuming that burying one's head in the sand, and sustained insouciance about tough real world policy problems are not realistic options.

In domestic policy there are too many parts of the community we share where freedom from fear and from want are in desperately short supply.

Our sclerotic mental health policies mean that for far too many Canadians, the police are the default agency, and our prisons are doing what our health care system cannot.

For our First Nations brothers and sisters, far too many live in far too many communities burdened by poverty, and all its pernicious pathologies distorting nutrition, exercise, educational achievement and health status. The inquiry recently announced into the murdered or disappeared Aboriginal women should break any complacency around about whether there are Canadians living in fear.

With three million or so Canadians living beneath the poverty line, we understand, and have understood for some time, that their prospects for a normal lifespan, for constructive educational outcomes, for avoiding family break up or violence, for avoiding substance abuse, for having the time to be great and involved parents, for staying on the right side of the law, and living reasonably healthy and happy lives, are deeply diminished in comparison to those better off. In the many prisons that surround Kingston, as is the case nationwide, the 10 percent of the Canadian population who live in poverty constitute the vast majority of the guests of Her Majesty, and wildly over represented proportions of that population are Canadians of colour, First Nations, or immigrants. Grinding poverty has real consequences.

The challenge is not in observing all this, but in facing up to why we have been unable to reduce poverty more effectively.

- There are, in my view, three reasons. The first is the excuse of complexity. Poverty is too complex to ever be truly and effectively eradicated -we are told by some. Proponents of this view - some no doubt here tonight - and many in the economic departments and finance ministries of the western world, argue that poverty is a result, and not a cause. That is, of course a wondrous excuse with which to avoid measures of a truly new or groundbreaking nature.

The other reason is the clarion call, that always emerges when poverty is the topic and its abatement is the goal, for 'fiscal neutrality'. This is the notion that the existing fiscal balance, whatever it is, must not be tinkered with in support of poverty abatement. I try to recall this argument for 'fiscal neutrality' when Canada and her allies went to war in 1914, 1939, in Korea, Kuwait, Bosnia, Afghanistan. Or, when the United States, the UK, Japan, or most of the EU, provided liquidity in large measures for failing banks, insurance, automobile, or other enterprises. I do not oppose these bail out initiative taken in 08/09, or the billions of dollars, pounds, yen or euros spent in Quantitative Easing to keep economies liquid and credit flowing, but the term 'fiscal neutrality' was not part of the official narrative at the time.

That it should be deployed now is both cruel, and perverse - and not lost on the millions who lost jobs, homes, savings and small businesses - while the largest, most powerful, and in some cases most profligate, were bailed out in the US and UK with taxpayers' funds. It was the anger over that massive anomaly the fueled the initial Tea Party outbursts, before they were captured by other ideological causes. They may well be at the core of Mr Trump's momentum to date. It was probably that 'two nations' angst and sense of fairness betrayal that helped fuel Brexit as a response to an established order not really perceived as serving working and middle class aspirations.

Generosity towards migrants and refugees - a stance that I would call the essence of our civility and decency as a society - is harder to encourage, and find, when one's own family's economic and social prospects seem deeply constrained by an economic structure that is not merely neo-liberal or neo-conservative, but simply an apparently upper class driven neo-selfish. Today's hyper digital universe has few secrets, and even less no go zones. People know what is fair, what is not, and who always gets the short end of the socio-economic stick. The absence of balance means disjointed imbalance!

The third reason is the old theory of 'Path dependency' - namely governments going back and forth in the same public, social and economic policy rut - perhaps at different speeds, perhaps tilting a bit to the right or the left, but going back and forth nonetheless. It's easier. It's less risky. It does not require the new energy and courage necessary to extricate policy from one deep rut, whose base is getting further and further from the sun, to try a new path. From the Indian Act, to many established welfare systems and constraints nationwide, this path dependency is deeply embedded. But there is hope to be found! The moment of opportunity we share is genuine and very promising. Quebec is pursuing new ways to better reduce poverty - not excluding a Basic Income innovation. Ontario is reviewing all its income support programs, and has committed to a pilot project on a Basic Income, and Nova Scotia is conducting a deep review of its income support programs. This means that governments of twenty-one

million Canadians are actively canvassing a better, more humane, respectful and economically productive way of diminishing poverty and all its pathologies. The Dutch and the Finns are also launching pilots. To its credit, our national government has introduced a National Child Benefit with unparalleled capacity to improve the economic prospects and social mobility of middle class, and low income Canadian families. Hopefully this courage might well translate to a federal government that supports pilots on a Basic Income nation wide. The UK has now a 'One Nation ' Tory Prime Minister who has embraced better life chances for those outside the economic mainstream as a central policy goal, along with strong national defence!

When I was in active partisan politics, I was described as a 'national security Conservative' - with all the implicit tilt towards robust deployable military, diplomatic, and intelligence capacity that term implies. It was not a term that troubled me in the least, but I did argue that 'national security' was not only a term reflecting geopolitical policies we might pursue abroad with our allies. At home, that term related as intrinsically to income security, equality of opportunity, and legitimate life chances for all. To the extent we turn our eyes away from poverty, and the related suffering and unfairness - at home or abroad - we weaken both the freedom from want, and from fear, that are essential pillars of a society of freedom and opportunity. That is as true here at home, or in the North, or in Louisiana, or in the favelas of Brazil as it is in Gaza, Haiti or the Democratic Republic of the Congo. Our ability to advocate abroad is mercilessly tied to our capacity to face unpleasant truths at home and summon the courage and will to act.

This is why I salute your analytical and insightful work here, today, and thank you sincerely for the invitation to be here with you tonight.