

# The Dexter NDP: Old Wine, New Bottle?

Matt Fodor

“I’ve waited all my life to see a socialist government in Nova Scotia. I’m still waiting.”

– Voter email read on CBC Newsworld on election night<sup>1</sup>

On June 9, 2009 the New Democratic Party (NDP), led by the self-proclaimed “conservative progressive” Darrell Dexter, swept to power in Nova Scotia, forming the first-ever NDP government in Atlantic Canada. The NDP won 45 percent of the popular vote and 31 of 52 seats. Despite this historic outcome, it should be noted that the NDP ran on a modest and uninspired platform. Therefore, it is difficult to declare the election a victory for the Left.

At the August 2009 federal NDP convention in Halifax, the newly-elected Premier Dexter called on the party to reach out to business. He argued that past efforts to do so were undermined by the party’s ‘rigid’ ideology. Dexter’s comments stood in sharp contrast to those of former federal leader Ed Broadbent, who made the case for defending traditional social democratic values. Broadbent stressed that universal healthcare, affordable education, government pensions and other measures supported by social democrats should be paid for “by adequate levels of progressive taxation.” Dexter insisted that his advocacy of tax cuts and reaching out to business was not a betrayal of the NDP’s core values, stating that: “The party is rooted in some very core values, and as long as we are grounded in those values I think we are free to take initiatives right across the political spectrum.” Dexter’s message was simple, get with the times: “This is not a party of the 1960s, we’re not a party of a generation ago, we’re a new modern political party.”<sup>2</sup>

Like other social democratic parties around the world, the NDP has been greatly impacted by the Third Way. In what is seen as a strategic response to the challenges of globalization and de-

clining electoral fortunes, the NDP accepts many neoliberal precepts and a greater role for markets. Third Way social democratic parties move to the right on such issues as taxes, welfare and crime in an opinion-poll driven attempt to appeal to the broad electorate. The Third Way is presented by advocates such as Anthony Giddens as an updated version of social democracy that serves as a middle ground between traditional social democracy and neoliberalism.<sup>3</sup> The federal NDP, which unlike most social democratic parties has never formed the national government, continues to be embroiled in a debate between ‘traditional’ social democrats and those who advocate a more ‘pragmatic’ and centrist “Third Way” course. An examination of party platforms and policy positions over the past decade, however, suggests a rightward turn.<sup>4</sup> It is generally accepted that NDP governments at the provincial level since the 1990s, most notably those of Roy Romanow and Lorne Calvert in Saskatchewan and Gary Doer in Manitoba, have adopted the Third Way. This can now also be said to be true of the Dexter government.

## FROM OFFICIAL OPPOSITION TO POWER

The Nova Scotia NDP has pursued a Third Way course since at least the late 1990s. In the 1998 election, the party, led by Robert Chisholm, had its then best-ever performance, when it tied the incumbent Liberals in the number of seats won (the Liberals remained in power with the support of the Conservatives). In their 1999 budget, the Liberals broke their electoral commitment to balanced budgets to make investments in healthcare. The NDP joined the Conservatives in denouncing the Liberals for breaking that promise, resulting in their defeat. Jim Stanford observed that “it is strange indeed to see a left party taking the rhetoric of balanced budgets so far as to actually defeat a government on the grounds that it was spending too much on human services.” In the subsequent election, the NDP ran on

“...an extremely moderate...platform, stressing its commitment to fiscal responsibility, balanced budgets, and support for small business. The central goal was to emphasize that voting for the NDP did not mean voting for deficits, inefficiency, and turmoil. Third Way party strategists and even conservative newspaper columnists heralded the Nova Scotia NDP, under popular leader Robert Chisholm, as representing an energetic new wave for the party.”<sup>5</sup>

Despite this excitement in conservative quarters, the party lost ground but maintained their Official Opposition status, and the Conservatives swept to power on a right-wing platform. Tory cuts to public services were soon met with much public opposition. The NDP was unable to capitalize on this grassroots movement in support of public services, however. As Stanford, writ-



ing in 2001, observed: “By bringing down a government on the grounds that it failed to balance the budget, and making ‘fiscal prudence’ a centerpiece of its own campaign, the NDP clearly contributed to the emergence of the current regressive trend in Nova Scotia.”<sup>6</sup>

Dexter replaced Chisholm in 2003 and continued the centrist course. For instance, the NDP supported a Tory tax cut that benefited the wealthy, men and the Halifax region over the poor, women, and the other regions of the province.<sup>7</sup> The 2003 election saw the NDP capture 31 percent of the popular vote and 15 seats (and maintain Official Opposition status); in 2006, the party received 35 percent of the vote and 20 seats (just one seat less than the Conservatives and far ahead of the Liberals). In the most recent election, the Tory government of Rodney Macdonald suffered a humiliating defeat, coming in third behind the Liberals. With the NDP again promising tax cuts and balanced budgets, Brendan Haley notes that “the Conservatives’ [sic.] ‘Risky NDP’ Socialist Red Scare campaign was totally absurd and fell completely flat with voters tired of the ineptitude of their existing premier and comfortable with Darrell Dexter.”<sup>8</sup>

Specifically, the NDP ran on a platform called *Better Deal 2009: The NDP plan to make life better for today’s families*, with seven key commitments:

- create the secure jobs Nova Scotia’s economy needs
- keep emergency rooms open and reduce health care wait times
- ensure more young people stay and build a life in Nova Scotia
- take the tax off home energy and make life more affordable
- fix rural roads and keep communities strong
- give seniors the options to stay longer in their homes and communities
- live within our means

The commitment to “live within our means” is perhaps the most revealing of the party’s Third Way orientation, in which the platform attacks the previous Tory government for fiscal irresponsibility. It states that “Darrell Dexter and the NDP know that debt and deficits are not the road to prosperity.” It includes a commitment to balancing the budget within their first two years in office and an “expenditure management review” with a target of a 1% reduction (or \$73.5-million) in non-essential spending.<sup>9</sup> The NDP appeared so committed to balanced budgets and curbing spending that the Halifax *Chronicle Herald* (May 16, 2009) commented that:

“Mr. Dexter sounds excessively cautious in saying future capital spending should not add to the debt. That would mean running budget surpluses large enough to cover new capital, often making it hard to both balance the budget and keep infrastructure up to date. A better approach is to keep the carrying costs of borrowing for new capital at a manageable level in the operating budget.”<sup>10</sup>

The inability to undertake necessary investments is hampered

further by the call to “take the tax off home energy and make life more affordable” – which comes at a price of \$28-million and is by far the most expensive part of the platform. Eric Newstead notes that the rest of the platform planks “are either relatively inexpensive and uninspiring band-aids or based around temporary tax rebates similar to federal programs implemented by the Harper Tories.” Thus, “only the proposed cut to the HST on home energy use and the plan to balance the Province’s Budget really demonstrate the logic driving the new NDP government.”<sup>11</sup> Indeed, the second most expensive election plank (at an estimated \$10.5-million) to encourage home construction with a one-year HST rebate. The *Globe and Mail* columnist Andrew Steele praised Dexter’s moderate direction, yet noted that:

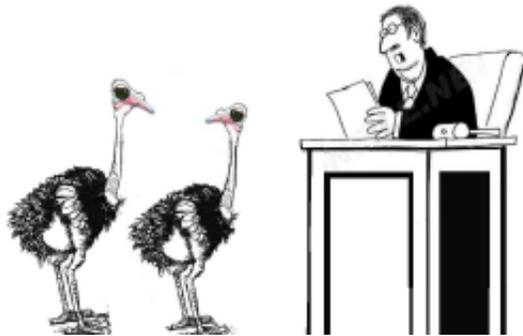
“...the party was focused on power over policy. Taking the HST off of home heating is bad policy and good politics, the equivalent of the GST cut pledged by Stephen Harper in 2006. The pledge to balance the budget was disingenuous at a time when the state of the finances is in flux, but necessary communications short-hand to demonstrate a commitment to sober management of the books. There was no vast manifesto of detailed pledges to addressing every faction the party grassroots feels is rightfully aggrieved, but a slender leaflet designed for sales, not debate. In fact, the platform was silent on poverty, arguably the core issue to the NDP across the country.”<sup>12</sup>

Not only did the party have little to say about poverty, but it was also silent on wages and the gap between rich and poor. There was no call whatsoever for furthering progressive taxation. Nor was there a call for anti-scab legislation or strengthening trade unions despite the NDP’s historic links to labour. Even a call for public automobile insurance from the previous election was dropped. If the pursuit of equality is a core social democratic value, it is difficult to see at all what is distinctively social democratic about the current Nova Scotia NDP.

What specifically are the “core values” of the NDP that Dexter spoke about at the Halifax convention? Regarding the lackluster platform on which the Dexter government was elected, Larry Haiven remarks:

“...the NDP will no doubt refer to Tommy Douglas in Saskatchewan. They may remind people...that Douglas insisted on balancing his province’s books as one of his first priorities. But Tommy Douglas was not just about balancing budgets...Tommy Douglas had social imagination; he had great ideas of what he was going to accomplish, like medicare, public automobile insurance, rural electrification, children’s dental care and many more. He announced these things publicly and lifted people’s spirits in the promise of what they could do collectively. He and his immediate successors took on the vested business and professional interests and rallied people to demand better. In recent years, NDP governments across Canada have been all about dampening people’s spirits, especially the party grassroots. The NDP has become a promise of better management of crisis.”<sup>13</sup>

You have been found guilty  
of cold indifference to the needs of all Canadians



### SCALING BACK EVER-MODEST GOALS

While many in the labour and social movements have expressed hope that the election of the first NDP government in Nova Scotia is a step in the right direction, there is little reason to be optimistic. There is already evidence of the NDP ending up on the *opposite side* of the popular movements when the Conservatives were in power and the NDP remains firmly committed to the neoliberal mantra of tax cuts, fiscal austerity and balanced budgets. And to dampen things further, the Dexter government has reported that the province's finances are in worse shape than expected.<sup>14</sup> Haiven argues that this process may in fact be politically motivated. Given the current political orientation it is likely spending cuts are further ahead in order to maintain its major commitments, and it is necessary to convince the traditional NDP constituencies (for whom further spending cuts would be very unpopular) of this 'necessity.'<sup>15</sup>

In the Throne Speech on September 17, 2009, Dexter reiterated the party's key campaign platform themes. He noted that they had already reduced the size of the Cabinet from 18 to 12 members, and they had taken the HST off of home electricity. And they would follow through on the home construction rebate. Dexter stressed the party's commitment to "living within our means" and warned that "[i]f we do not make changes, Nova Scotia's deficit will balloon to \$1.3-billion by 2012. That is not the legacy this government wants to leave to future Nova Scotians."<sup>16</sup> In the budget address the following week, Finance Minister Graham Steele stated that: "While this is the *first* budget tabled by this government... we do not consider it to be *our* budget. This budget is substantially the same as the budget introduced last May 4<sup>th</sup>." The government forecasted a deficit of \$592.1-million for 2009-2010, but maintains that it will balance the budget next year.<sup>17</sup> We have yet to see an "NDP budget" for Nova Scotia, but there is little reason to believe that it will represent a break from politics as usual. Angella MacEwen and Christine Saulnier remark that "maybe we could have used a few surprises. Something more creative than dumping \$325-million into roads (the most money a Nova Scotian government has ever spent on roads in a single year)."<sup>18</sup>

The Canadian Centre for Policy Alternatives (CCPA) has outlined a more progressive economic strategy for Nova Scotia in its annual Alternative Budget. It rejects the emphasis on balanced budgets and maintains that adequately funded healthcare, education and social services should be a higher priority in a recession. It argues that the removal of the HST on home energy is misguided, noting that it saves the average Nova Scotian a mere \$10 per month but deprives the government of a significant amount of revenue. A better solution would be a subsidy for low income households. The re-nationalization of Nova Scotia Power would also enhance energy security. The report warns against the mantra of tax cuts, citing a study by CCPA economist Armine Yalnizyan that found that governments of all levels across Canada reduced their revenue by \$250-billion, depriving them of ability to sufficiently fund healthcare, education, social services, infrastructure, etc. The Alternative Budget stresses the need for a well-educated workforce in order for the province to come out better from the recession, which includes increasing funding for the province's neglected schools, investments in childcare, and reduced post-secondary tuition. Poverty reduction is also crucial, with the Alternative Budget calling for a 30% increase in social assistance rates. The Alternative Budget would be funded by increased taxes on the wealthy, with income above \$150,000 being taxed at a marginal rate of 30%.<sup>19</sup>

It should not be a surprise that priorities of the Dexter government are very much at odds with those of the socialist Left. Yet, it is striking how much they have moved from traditional social democratic goals. The first NDP government in the history of Atlantic Canada is, like recent provincial NDP governments elsewhere, continuing the project of pursuing more humane version of neoliberalism. Broadbent's call for an all-out assault on inequality sounds downright radical by today's standards. **R**

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### Endnotes

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