

## The Liberals' victory in Ontario shows that campaigns for an active role for the state can still have wide political appeal.

*Last week, voters in Canada's largest province of Ontario elected a Liberal majority against the odds, with almost 70 per cent of the vote going towards parties on the centre-left. Reflecting on the campaign, **Claudia Chwalisz** writes that even in a liberal market economy, a campaign for an active role for the state can have serious political traction, and that the Liberals' victory in Ontario means that the party may have a chance of building the broad coalitions of support necessary to win next year's federal election.*



On June 12<sup>th</sup>, Canadians in the province of Ontario voted in provincial elections. Though this didn't get much (if any) coverage outside of Canada, the results were significant for a number of reasons. First, the campaign between the two main parties, the Liberals and the Progressive Conservatives (PCs) was fought on [a clear policy divide](#). In a country where elections are rarely about public policy and usually about political leaders, it could be a sign that times are changing. With a similar shock echoing from Quebec's provincial elections in April, where a [younger generation of voters signalled](#) they are also more interested in voting on economic matters, the battle lines in the lead-up to next year's federal election are becoming clear.

In Ontario, a sharp policy line was drawn in the sand between the Liberals, in favour of an activist government embracing the demand side of the economy to get it moving again, and the PCs who argued that government is the problem and that cutting it down is the solution. The Liberals campaigned on [a new public pension plan](#), large investment in education, transportation and hospital infrastructure, and a new \$2.5 billion fund to attract business investment. The PCs offered a turn towards small 'c' right-wing Republican-style conservatism with a 30 per cent corporate tax cut and a 100,000 person reduction in the size of Ontario's public service. Both parties promised to cut the large fiscal deficit within a year of one another; the difference lies in how this is to be achieved. Ontarians faced a clear choice about the future direction of their province.

As the Liberal leader Kathleen Wynne wrote in an [op-ed](#) published in the Toronto Star last week, "We can lurch to the right, cutting and slashing our way in a race to the bottom of a low-wage, low-skill economy. Or we can aim higher, and choose to lead." This is why after a close race in the polls leading up to election day, in the context of relatively high unemployment and economic uncertainty, nearly 70 per cent of Ontarians rejected the Conservatives' hard right, 'American Tea Party' agenda in favour of a hopeful, holistic vision of the direction in which the province should be heading.

### Leadership matters

Second, a focus on policies and a stark left-right divide does not mean that leadership doesn't matter. Though the Liberals have been leading a minority government for the past 11 years, Kathleen Wynne only took over as leader of the party last year. Described as a ["sunny, energetic intellectual,"](#) she was able to distance herself from the party's scandals (especially the billion-dollar cancellations of two gas-fired power plants). As Ontario's first female premier and the first openly gay first minister in Canada, her emphasis on inclusivity proved meaningful. Given the media reactions over the past few days, she is clearly a leader who people can rally behind.



Ontario Premier Kathleen Wynne Credit: Ben More Assynt (Creative Commons BY)

On the other hand, Tim Hudak, leader of the Progressive Conservatives, was seen as “[dopey](#),” lurched his moderate party to the hard right, and came across as incompetent by presenting a platform with obvious errors of basic maths. Unsurprisingly, Hudak resigned shortly after the results of his party’s electoral defeat were announced.

Part of Wynne’s majority win was also down to a strong ‘anti-Hudak’ sentiment amongst the voters. Though many left-of-centre voters may have been tempted to vote for the New Democratic Party (Canada’s third major and most left-wing party), the Liberals’ strong message that a vote for the NDP was a vote for Hudak seemed to hit home. In addition, the lacklustre NDP leader, Andrea Horwath, was in a ‘lose-lose’ situation from the beginning, having had to choose between supporting the 2014 budget and propping up the Liberal government she thereafter called ‘corrupt,’ or voting down the government and facing the polls. Unlike the Liberals and the PCs with their clearly defined policy stances, Horwath was accused of moving the party away from its core values and tilting it to the right. Her negative campaigning style, claiming that a vote for one of the two main parties would be a choice for either ‘bad ethics’ or ‘bad math,’ didn’t resonate with voters either, especially since she was accused of being complicit in Ontario’s mismanaged budget. Despite rising levels of support in recent years, the NDP seat count thus remained the same.

### **The economic credibility test**

Finally, Ontario is about to witness an economic experiment. With the election campaign reminiscent of the great battles between the neo-Keynesians and the supply-siders in the UK and US in the 1970s and 80s, Wynne will now have to prove that injecting public money into infrastructure and business will bring Ontario to a better economic place. With Ontario’s debt reaching \$270 billion and 40 per cent of GDP, the pressure is on to cut it down; if the Liberals manage to eventually raise more revenue for the treasury without pursuing austerity it will be a great win for the demand-siders. Unfortunately if that day arrives, it will likely be some years away.

The other possible scenario is that Wynne could end up shifting into austerity mode in the 2015 provincial budget, to be released a few short months ahead of the next federal election. Given that Ontario is the country’s bedrock of Liberal support, a shift towards the Progressive Conservatives next year could be decisive for determining who wins the election. Though it might win her some economic credibility if it proves to be a better path, it could also lose her and her party trust for breaking promises.

### **Looking ahead to 2015**

Moreover, the extent to which the Liberals' great triumph in Ontario can potentially be replicated at the federal level in 2015 is uncertain. Conservative Prime Minister Stephen Harper's agenda is more centrist than Hudak's; there will doubtless be some who voted Liberal in Ontario who will vote Conservative in 2015. The question is how many.

Nonetheless, the fact that Wynne achieved an outright majority against all odds and expectations shows what a strong leader with a clear policy agenda and a hopeful vision for the future can achieve. After winning in Quebec and Ontario outright, and with new Liberal Party leader Justin Trudeau (son of long-serving Prime Minister Pierre Trudeau) leading in approval and leadership ratings, the Liberals may have a chance of building the broad coalitions of support necessary to win in 2015.

### **Lessons for Europe?**

Are there any lessons here for Europe's centre-left parties? Perhaps, but it's important to note that Ontario (and Canada) have a Westminster-style first past the post system. It's thus difficult to compare with most European countries where a proportional representation system is in place. The Canadian mainstream is also lucky to be devoid of having to fight with populists, of the left nor right. So even comparisons to the UK are difficult, without a UKIP equivalent stirring contentious debate on immigration and Europe. Europe is obviously not an issue. Neither is immigration for that matter. In Canada, it's still 'the economy, stupid.'

However, where a meaningful comparison can be drawn is on the power of strong leadership, an optimistic vision of the future, and a clear plan of how to get there without the wonky terms. Economic growth is at the centre of the agenda, and how to achieve it for the prosperity of all is key as well. Kathleen Wynne's victory of an outright majority based on a platform advocating a strong role for the state in collectivised security and public service provision indicates that such arguments can indeed get the political traction necessary to win broad coalitions of support. Even in a traditionally liberal market economy.

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