

AFTER THE ELECTION

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Brand Canada

The brand state and the decline of the Liberal Party

by Richard Nimijean

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HE COLLAPSE OF THE LIBERAL PARTY UNDER PAUL MARTIN'S leadership has made the past decade one of the most interesting in modern Canadian political history. When Martin succeeded Jean Chrétien in 2003, all signs suggested that Liberal domination would continue for years. Chrétien had won three consecutive majorities, and Martin was widely seen as a more popular leader. The political Right remained in turmoil, and Canadians were not warming up to Stephen Harper, the leader of the newly formed Conservative Party. Meanwhile, the NDP struggled to articulate a distinctive message that would resonate with voters – a task made more difficult because the Liberals continually crept onto NDP turf, at least rhetorically, to distinguish themselves from the Conservatives.

So what happened? How could the Liberals be reduced to a minority government in 2004 and be defeated in 2006? Many will

point to the “civil war” between Chrétien and Martin forces. As Martin supporters see it, the legacy of the federal sponsorship program forced Martin to appoint the Gomery Inquiry. Canadian voters, in this view, punished Martin's Liberals for “doing the right thing.” Chrétien supporters, on the other hand, point to Martin's strategic error in distancing himself from the successful Chrétien record (due in no small part to Martin's actions as Finance Minister) because of “Adscam.” This is reminiscent of how Al Gore kept a still-popular Bill Clinton out of



his 2000 American presidential campaign because of the Monica Lewinsky scandal.

However, the problem lies deeper than the civil war, for that explanation ignores an important reason why Chrétien succeeded: the creation of “Brand Canada,” in which a transformed national narrative was used not only to advance national interests but also to promote the government’s policy agenda. Brand Canada reflects the rise of the “brand state.” Peter van Ham argues that governments are transforming their national narratives to attract capital and skilled labour which, as a result of globalization, can move easily to wherever they desire. There is also a domestic dimension to state branding.

Van Ham argues that the state can use these narratives and symbols in a “playful manner,” responding to an increasingly consumer-oriented citizenry.¹

However, the strategic and partisan dimensions of domestic brand politics run deeper than van Ham suggests. The case of Canada under Jean Chrétien’s leadership shows that framing public policy in terms of national identity and national values can be used not only to promote international competitiveness or interests of state but also to advance narrow partisan interests. This reflects and reinforces the dominant themes of Canadian elections. Elections were once dominated by economic issues,

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but now, in the context of a consensus on orthodox fiscal management, they emphasize “Canadian values” and who best represents them.² Chrétien’s branding strategy, which consciously stoked national pride and linked “Canadian values” to the Liberal Party’s policy agenda, redefined the terrain of political competition. Martin’s team, it appears, did not sufficiently appreciate the importance of domestic political branding, and by emphasizing “Team Martin” in order to present a “new” leader, undermined the success of the Liberal brand.

The collapse of the Liberals’ Brand Canada could lead to a significant political realignment in Canada. While the Chrétien Liberals successfully marginalized the political opposition by rearticulating Canadian values in terms of the Liberal Party, in the Martin era the Conservatives and NDP redefined themselves in terms of a consensus around Canadian values, a process which could lead to the growing marginalization of the Liberals.

This form of “reverse branding” means that discussions of a major political realignment should be taken more seriously than they were in the 1980s, when some NDP partisans mused publicly about the disappearance of the Liberals and the rise of a classic Left-Right battle in Canadian politics. With the NDP and the Conservatives occupying the two ends of the Liberal middle, political competition based on “Canadian values” might leave little room for the Liberals. Alternatively, we may witness an end to the framing of Canadian policy debates in terms of shared values, which imply ideological homogeneity, and see a return to a politics defined by ideological diversity, with Liberalism being dominant but not hegemonic.

Chrétien and the rise of Brand Canada

During his first term, Chrétien struggled to present a distinctive policy agenda. Promoting international trade and getting Canada noticed internationally became central to his economic strategy, for Canada’s share of foreign direct investment was dropping despite efforts to liberalize trade. On one international trade mission, after being confronted by child labour activist Craig Kielburger on the issue of human rights, Chrétien recognized that “the government needed to recast its image in more Liberal terms. From that day forward, human rights, at least rhetorically, returned to the agenda.”³

This contributed to a renewed emphasis on “Canadian values,” an area Chrétien always felt comfortable in during his long political career. Indeed, in his farewell speech to the Liberal Party in 2003, Chrétien observed how Canadians seemed demoralized after a decade of Progressive Conservative rule marked by socioeconomic and constitutional turmoil and political scandals, and he consciously tried to adopt an optimistic political outlook. While his “*Vive le Canada*” approach was often caricatured as a political shtick, it nevertheless contributed to a growing sense of Canadian pride. In the middle to late 1990s, Chrétien began highlighting “progressive” Canadian values like “caring and sharing” and “compassion,” arguing that Canadian institutions like federalism and programs like medicare embodied these values and were a reflection of “the Canadian Way,” a unique response to the challenges of the Canadian experience.

However, the Chrétien policy record was rather different. Drastic cuts to the state

in response to fiscal crisis fundamentally challenged the policy-based nature of the Canadian identity. This shift included, most significantly, the restructuring of fiscal federalism imposed by the Canada Health and Social Transfer. Not only did the CHST help the federal government solve its deficit problem by downloading it to the provinces; it removed billions of dollars from those institutions and programs that were central to Chrétien's "Canadian Way": health care, postsecondary education and social assistance.

Chrétien therefore "rearticulated" Canadian values without paying the political price. The ability to implement and sell an economic agenda that was not fundamentally different from the Progressive Conservative agenda (think NAFTA, keeping the GST, ongoing debt reduction and historic levels of tax cuts), defended in the name of the Canadian identity, solidified the Liberal Party's base and contributed to the ongoing marginalization of the opposition parties. While historically the Liberal Party moved to the Left or Right depending on the source of the primary political opposition at the time, under Chrétien the "Liberal middle" expanded in both directions simultaneously. To use a basketball phrase, the Chrétien Liberals looked Left but moved Right. The introduction of "fiscal sovereignty" as a new core Canadian value, highlighted in Jean Chrétien's 2000 speech "The Canadian Way in the 21st Century," was critical. Couched in the language of Canadian pride and sovereignty, it allowed the Liberals to proclaim the necessity of a progressive welfare state, but only in terms of a state that was affordable.⁴

Thus, the Liberals argued that they alone could embrace fiscal prudence and social

progressiveness. By implementing steep cuts to the welfare state even as they were celebrating its merits, they undercut the effectiveness of the Progressive Conservative/Reform/Alliance neoliberal economic critique on the Right. Right-wing critics could be isolated by calling into question their commitment to the social values supported by a majority of Canadians. At the same time, NDP pleas for more progressive social policies were also marginalized, as New Democrats were criticized for their allegedly poor record of fiscal management at the provincial level and characterized as high-tax, high-spending left-wingers.

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Somewhat incredibly, the Liberals took a politically unpopular position (cuts to the state accompanied by tax cuts) and still managed to redefine the political terrain *on their terms*. Chrétien's political success could be seen in Canadian public opinion polls and analyses, which regularly showed that Canadians embraced both progressive social values and tight fiscal policy. Thus, "Brand Canada" could claim that Canadian values were Liberal Party values and vice versa, relegating the Reform /Canadian Alliance/PCs and the NDP to the margins of political influence. If the opposition parties wanted to compete with the Liberals, they would have to do so on Liberal-defined terrain.

This approach was accompanied by a national unity strategy that saw the Liberals identified as the only federal party that could address Quebec nationalism following the close result of the 1995 sovereignty referendum. After the referendum, prominent public opinion analysts informed Chrétien that while the federalists won the political and economic arguments, they did not create an emotional connection with the Québécois and hence lost the cultural arguments.⁵ Subsequently, selling Canada to Canadians became central to Chrétien's unity strategy. As Chrétien noted, "The Parti Québécois did not win, Canada won. We have such a good product that, put it under the proper light, and the people will buy it." The subsequent strategy, involving Plan A (the soft sell of Canada) and Plan B (the hard-line defence of Canada), sought to celebrate Canada and its values, counter separatist "myths" and make clear the "costs" of secession.

Thus, in the Chrétien era, the political manipulation of the Canadian identity produced a significant congruence between Liberal and Canadian values, to the benefit of the Liberals and the detriment of the opposition. By the year 2000 the Liberals portrayed themselves as the party of Canadian values – fiscal prudence and social progress – and as the only party that could safely ensure the ongoing unity of the country. Flying the flag, an outcome of the federal sponsorship program, was hurting the sovereigntist cause – recall former PQ Premier Bernard Landry's complaints about the prominence of the Canadian flag across Quebec.

Martin in power: The strategy founders

Hence the apparent durability of Liberal dominance as Martin prepared to ascend the Liberal throne and the opposition remained in relative disarray. However, Martin's introduction to the public as a potential Prime Minister had him not only fighting the NDP and the Conservatives: he was now also contrasting his vision with the popular legacy of his predecessor. For example, while running for the party leadership in September 2003, Martin rejected Chrétien's call for Liberals to remain committed activists in social policy, instead emphasizing the need for ongoing tax cuts and debt repayment.

This was the first of many attempts to distinguish Martin's vision of Canada from Chrétien's. During his run for the leadership, Martin emphasized improved relationships with the United States and Quebec. He expressed doubts about Canada not joining the coalition invading Iraq. He was worried about the effects of the Kyoto Accord. He did not seem to be a fan of the Clarity Act. Yet once he became leader, and the opposition had largely erased the Liberal lead in the polls in 2004, Martin exploited these very same issues to try to drive a wedge between the Liberals and Conservatives. He argued that Canadian values were reflected in Chrétien's position on Iraq, support for Kyoto, same-sex marriage (which, like Chrétien, he first opposed and then supported), the Clarity Act and a rejection of continental missile defence. Despite the promise of improved Canada-U.S. relations, Martin's two election campaigns were marked by crude anti-Americanism as Canadian public opinion became less favourable toward President George W. Bush.

Thus, by the middle of the 2004 election campaign, Martin was presenting a rather mixed message to voters. Having initially distanced himself from Chrétien and emphasized his own vision, he was now being encouraged by worried Liberals to remind voters of his successful run as Finance Minister in the Chrétien government. However, his adoption of much of the rhetoric of Chrétien's Brand Canada only reinforced the mixed messaging.

The Liberals tried to exploit the Auditor-General's report on the sponsorship program politically by launching the Gomery Inquiry to show that Martin was an "agent of change."⁶ However, the move backfired as attention to the scandal placed the Liberals in political trouble in Quebec, where they lost most of the gains Chrétien had made since 1993. While Martin's appointment of Bloc Québécois cofounder Jean Lapierre as his Quebec lieutenant was intended to signal his intent to establish a more sophisticated relationship with Québécois, he also suddenly brought hardline federalist Stéphane Dion back into cabinet from political exile after Dion had been able to slightly revive Liberal fortunes in Quebec in the closing days of the 2004 campaign.

Reversals on both Quebec and the United States reflected an overriding concern with political outcomes, suggesting that Martin was engaged in a permanent campaign. Many Canadians never really knew what Martin stood for and could never identify his priorities. Framing his agenda in terms of "making history" and "the politics of achievement," Martin even claimed that the Liberal defeat of Harper's nonconfidence motion in the spring of 2005 proved that "Canada was a nation by which others would judge themselves."

Martin adopted a Chrétien strategy of celebrating Canadian values as a way to distinguish the Liberals from the opposition, with the media labelling him "Captain Canada." He emphasized the values differences between himself and Harper, claiming that his government reflected progressive values. However, the civil war and the policy fluctuations became fixed in the public domain. The opposition reminded voters that Martin had numerous "top priorities." The media began to make voters aware of the numerous contradictions, which in an era of high levels of political disengagement

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and cynicism did not bode well for the Liberals.

For example, the 2004 claim that Conservative tax cut policies would Americanize Canada rang hollow, given Martin's campaign boast that he produced the largest tax cuts in Canadian history. His claim that only he "knew the books" could not hide the fact that the Conservatives had promised more public funds for medicare in the 2004 election. And his decision to restore corporate tax cuts only days after promising to rescind them in his 2005 budget deal with the NDP revealed a high degree of policy flexibility. While he often spoke of the need to cut spending, his willingness to spend significant public funds just prior to elections reinforced perceptions that Martin's primary concern was his government's political survival.

His emphasis on Canadian values also raised contradictions in the public eye, and the opposition pounced on this. While Martin regularly spoke of Canadian values and how his party represented them, what did that say of non-Liberals? Did they not have Canadian values? Harper asked if one could be a Canadian without being a Liberal, and suggested that wanting lower taxes and honesty in government were Canadian values as well. And what of Quebec? Martin claimed that Quebec had to stay in Canada because of shared values, and that all would lose if Quebec left the country. The country needed to stay together, he argued, to compete with the new challenges presented

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by India and China. Bloc Québécois leader Gilles Duceppe identified the flaw in this logic by suggesting that, if that was the case, perhaps Canada should consider joining the United States.

Ultimately, these contradictions reflected a growing gap between the articulation of Canadian values for political purposes and the reality of the evolving Canadian social contract. While social class and ideology may have disappeared from public conversations in the 1990s, they did not disappear from public policy. Despite the record prosperity touted by the Liberals, many Canadians, as numerous studies and reports showed, did not share in or feel that prosperity.

Economic inequality grew during the 1990s. University tuition more than dou-

bled. Billions were removed from health care, social assistance and unemployment insurance. Martin decried “empty moralizing” in foreign policy, yet refused to commit to achieving the UN international development target of 0.7 per cent of GDP – a target Canada created. Given accumulated budgetary surpluses estimated at close to \$100 billion, and Canada’s role in stressing the importance of increased international development assistance, Live-8 organizer Bob Geldof observed that “Canada’s weird.” Despite his critique of Harper’s Americanizing tax cuts, Martin’s first foreign trip after the 2004 election was to a meeting of prominent American businesspeople. He asked them to invest in Canada because corporate tax rates were largely lower than they were in the United States.

In short, Martin’s decision to run away from Brand Canada (and his record as Finance Minister under Chrétien) sealed the Liberals’ fate. Chrétien’s Brand Canada allowed the contradictions of the Liberal record to be managed politically. Inconsistently trying to distance himself from the Chrétien record and legacy, Martin allowed the contradictions to be exposed. Mixed messages weakened the Liberal brand, for as any brand specialist will note, two things are central to a brand’s success: a good product and a consistent message. And with many Chrétien loyalists sitting on their hands in the two elections, the Liberals could not withstand the opposition parties’ new strategies that were exploiting the Liberal contradictions and seeking to link their own agendas to a sense of social Canada.

“Reverse branding” and the mainstreaming of the ideological opposition

The experiences of Chrétien and Martin show that the domestic manipulation of national narratives in the era of the brand state is a challenge to Canadian democracy. Branding can harm democracy by reducing political conversations to empty messages, potentially increasing political cynicism.⁷ However, notwithstanding official concern about a disengaged electorate, domestic political branding continues to inform Canadian politics and will shape the evolution of the political landscape.

The fact that several high-profile candidates dropped out of the current Liberal leadership race suggests that the restructuring process will be a long one for the Liberals and recognizes that the Liberal brand has been tarnished considerably. This could produce a fundamental realignment in the federal political landscape, with the Liberals facing potential long-term marginalization. In this scenario, future national battles will take place between two new coalitions on the political Left and Right.

Three questions emerge. First, how will the Liberal Party respond to the events of the past decade? Second, will Prime Minister Harper transform the Conservatives from an occasional alternative national government that Canadians turn to when they are tired of the Liberals into a viable national force defining Canadian politics? Finally, will the NDP establish itself as the party voters turn to when seeking progressive social policy?

The mainstreaming of both the Conservative and NDP agendas is proof of the success of Brand Canada and poses the greatest threat to the Liberals. This is why the NDP emphasizes progressive values *and*

a commitment to balanced budgets, and why Jack Layton asked disaffected Liberals in 2006 to “lend” their vote to the NDP if they believed in progressive values. While the Liberals concentrate on their leadership contest, there is considerable space for the NDP to assume the mantle of defender of Canada’s social conscience, particularly since suggestions to “unite the Left,” presumably under a Liberal banner, have met with little enthusiasm.

However, the greatest threat to the Liberals remains the reunited Conservative Party. While the Conservatives continue to advocate fiscal orthodoxy, it is significant that policies that historically have hurt the Right (rethinking bilingualism, multiculturalism, abortion and even a commitment to universal medicare) have largely been dropped from Conservative policy discussions. This is not to say that a Conservative government will not make changes in these areas; rather, they are essentially not being discussed publicly, as the government focuses on its five identified priorities (accountability, crime, the GST, daycare, and patient wait times).

The mainstreaming of the Conservatives’ social policy, at least in terms of public discussions, makes them *seem* less radical, and Canadians appear willing to at least give them a chance. If the Conservatives have learned anything from the experiences of the last 15 years, it is that they will need to have a more moderate social agenda to forge a successful political coalition that is viable across Canada and can bridge western Conservatives with voters in Quebec and Ontario. Moreover, the Liberals showed that articulating values that reflect the Canadian identity is a key to electoral

success – perhaps more so than the actual policy record.

The 2006 Conservative election strategy not only laid out clear policy tracks; it also situated the party just to the right of the Liberals.⁸ As John Ibbitson has demonstrated, this reflects Harper's belief that the dogma of balanced budgets is broadly accepted by the "Liberal centre-left." Far from leading a group of radicals in a hurry, Harper is trying to build momentum for a broad-based national conservative alternative. He appears to recognize that this requires an incremental approach that focuses on economic and legal policy before attacking issues favoured by social conservatives. "We

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must realize that real gains are inevitably incremental," he has said. "... Conservatives should be satisfied if the agenda is moving in the right direction, even if slowly."⁹ Thus, we can better appreciate Harper's handling of the same-sex marriage file. In a nod to his social conservative base he has said that he would not oppose a free vote on the issue, but it is clearly not one of his government's five major policy priorities.

The NDP and Conservative leadership seem to recognize that the key to defeating the Liberals' Brand Canada is to box in the Liberals. Whereas Chrétien marginalized the opposition, the opposition is now trying to marginalize the Liberals. In this scenario,

the NDP and Conservatives, connected by a commitment to balanced budgets, represent the two extremes of the "social Canada" once dominated by the Liberals.

Nevertheless, there are potential pitfalls. Jack Layton's strategy of targeting disaffected Liberals rather than the Conservatives in the 2006 election concerned many on the Left, who saw it as opportunistic. In a similar fashion, a Conservative Party that espouses more socially progressive values in an effort to appeal to central Canadian voters creates anxiety for social conservatives.

Managing this tension will not necessarily be easy for the Conservatives, given the fractious history of the Canadian Right. Harper's early efforts to present a mainstream Conservative Canadian vision have been controversial. For example, the cabinet appointments of David Emerson and Michel Fortier, tightened controls by the Prime Minister's Office on media access and allegations that the PMO is restricting the public communications of cabinet ministers have been portrayed either as an abandonment of Conservative principles or as crass opportunism. Moreover, despite the social policy messaging, there remains a considerable gender divide, as an early analysis of the 2006 election suggests that Canadian women might have prevented the Conservatives from achieving a majority.¹⁰ The fear of "extremism" will continue to be an issue in future elections, and Harper will seek to avoid it, perhaps to the consternation of his base.

The marginalization of the Liberals is far from a done deal. Tensions within the NDP and the Conservatives as they try to position themselves as viable political coalitions on either end of the Liberal middle will remain

something that the Liberals can exploit. Ironically the Liberals, who have benefited the most from Brand Canada, would now benefit from a campaign of ideas that clearly demarcated ideological visions, for historically they have best been able to straddle the ideological divides underpinning the mixed (and increasingly retrenched) Canadian welfare state. However, if they focus simply on reliving the “civil war” and blame that for their misfortunes, just as they underestimated Stephen Harper and his ability to transform the Conservative Party, then times could be tough for Liberal supporters.

The Conservatives and NDP, having learned from experience, recognize that the effort to define Canadian values in terms of their policy platforms can be successful, and they will continue to exploit this strategy. For example, Harper’s speech in Afghanistan declaring that Canadians don’t run away from danger is an example of trying to re-define Canadian values politically. Thus, we can expect that as the major parties jockey in a minority Parliament, the federal political landscape, already complicated by new debates about federal-provincial relations, the fiscal imbalance and the forthcoming Quebec provincial election, will remain unsettled for some time to come. ■

Notes

¹ See Peter van Ham, “The Rise of the Brand State: The Postmodern Politics of Image and Reputation,” *Foreign Affairs*, Vol. 80, No. 5 (September/October 2001), pp. 2–6, and Peter van Ham, “Interview with the author” *Foreign Affairs* (2001), available online at <http://www.foreignaffairs.org/20010901faupdate10417/peter-van-ham/interview-with-the-author.html>

² Jon H. Pammett and Christopher Dornan, “Election Night in Canada: The Transition Continues,” in Jon H. Pammett and Christopher Dornan, eds., *The Canadian General Election of 2004* (Toronto: Dundurn, 2004), pp. 16–17.

³ Edward Greenspon and Anthony Wilson-Smith, *Double Vision: The Inside Story of the Liberals in Power* (Toronto: Doubleday Canada, 1996), p. 359.

⁴ I discuss this in more detail in “Articulating the ‘Canadian Way’: Canada™ and the Political Manipulation of the Canadian Identity,” *British Journal of Canadian Studies*, Vol. 18, No. 2 (2005), and “The Paradoxical Nature of the Canadian Identity,” *Teaching Canada*, Vol. 23 (February 2005), pp. 25–31.

⁵ See Greenspon and Wilson-Smith, *Double Vision*, pp. 357–58.

⁶ Paul Wells documented how Martin strategist and pollster David Herle said that the Auditor General’s report was a good opportunity to show that Martin was an “agent of change.” Wells also noted that the Liberals spent \$127,000 on a poll on how to deal with the negative response to the report. See <http://weblogs.macleans.ca/paulwells/> (retrieved March 1 and March 26, 2005). Liberal strategy ultimately reflected the poll results (the Gomery Inquiry, whistle-blower legislation and seeking to recover missing funds).

⁷ Jonathon Rose, *The Marketing of Nations: Old Wine in New Bottles?*, paper presented to the Political Marketing Conference, Middlesex University, London, UK, September 2003.

⁸ Paul Wells, “The Untold Story: Inside an Epic Battle,” *Maclean’s*, February 6, 2006, p. 30.

⁹ Cited in John Ibbitson, *The Polite Revolution: Perfecting the Canadian Dream* (Toronto: McClelland & Stewart, 2005), p. 28

¹⁰ Elisabeth Gidengil et al, “Women to the Left, Men to the Right,” *Toronto Globe and Mail*, February 15, 2006.