

# TURNAROUND: A POLITICAL PARTY REBOUNDS

Steven MacKinnon



The Liberal Party of Canada got a wake-up call from the voters in last January's election, but still managed to go into opposition with more than 100 seats in the current minority Parliament. Within just 10 months, the Liberals organized an exciting leadership convention and adopted important financial and structural reforms that will streamline their activities and enhance their prospects of a return to power. The Liberal Party's former national director, Steven MacKinnon, shares his reflections on rebuilding the Liberal brand.

Le Parti libéral du Canada s'est fait servir une leçon aux élections de janvier 2006, où il a tout de même raflé plus de 100 sièges pour former l'opposition au sein d'un Parlement minoritaire. Puis en 10 mois à peine, les libéraux ont tenu un stimulant congrès à la direction et adopté d'importantes réformes financières et structurelles qui rationaliseront leurs activités et favoriseront leurs chances de reprendre le pouvoir. Steven MacKinnon, ancien directeur national du parti, s'explique sur la revalorisation de l'image de marque libérale.

The election of Stéphane Dion as leader of the Liberal Party of Canada capped a process of democratic activism rarely seen in this country. Many observers called the party's Montreal convention the best ever held in this country. To be sure, the combination of a deep roster of candidates, a galvanizing set of issues and an emerging coalition of Canadians opposed to a government of staunch conservatism were the ingredients for a thrilling convention.

However, the thousands of participants who packed the Palais des Congrès in Montreal illustrated the power of allowing "the oxygen to reach the grassroots," as leadership candidate Carolyn Bennett once observed. Indeed, this "oxygen," and the drama it fuelled, is responsible for what could be the quick return to power of Canada's Liberals.

The general election of January 23, 2006, served as a wake-up call to the Liberal Party. The leadership of Paul Martin and an ambitious agenda of new social and environmental policy were not enough to counter, it must be said, a highly sophisticated and technically competent Conservative Party. That party ably moulded a modern political machine out of the remains of two lesser organizations. The Conservatives, for the first time in a generation, were able to assemble new and residual political talent from their legacy parties, and combine them with a streamlined structure, a culture of grassroots activism and a large (and angry) small-donor base. These ingredients, added to a disciplined campaign, proved to be the recipe for victory. For Liberals, there was consolation in the simple fact that

despite a significant institutional disadvantage, the election yielded one of the narrower minorities in Canadian history. Voters had resisted the urge to relegate the party to years of rebuilding, as had occurred in 1984. Rather, they left a 100-seat foundation on which to rebuild.

A small group of Liberals, led by former party president Mike Eizenga, and acting in consultation with interim leader Bill Graham, decided to use their time as custodians of the party wisely. Rarely, if ever, do parties in Canada have the luxury of a 10-month window, devoid of rigid adherence to a government or a leader's agenda, or the workaday imperatives of fundraising and organization. During this ultimately productive time of renewal and rebuilding, the seeds of the next Liberal victory — whenever it comes — were sown.

The hill to climb was steep. As the calendar turned to 2004, the Liberal Party was competitively disadvantaged in almost every regard. The party's structure, while populated with motivated men and women, was top-heavy and ineffective. Thirteen different membership systems, one for every province and territory, prevented two-way communication between the party and its activists, while actually impeding access to membership forms. A yawning fundraising disadvantage, owing to a ban on corporate contributions, would soon get worse with the advent of amendments to the *Canada Elections Act* (known as Bill C-24), and later to the politically motivated *Federal Accountability Act*. Modern database technology had failed

to permeate the hidebound culture of a “pencil-and-list” volunteer base. All of these elements combined amounted to a turnaround situation worthy of a Lee Iacocca or a Jack Welch.

The Liberal Party of Canada was broken, and worse, it had to drag its creaking structure through a time of frenzied political activity. Yet, despite two national elections, two national conventions and a searing commission of inquiry in a three-year span, “turn around” is exactly what it did.

In the area of database technology, the party’s national executive decided to create a single membership database, which later evolved into a true “CRM” (customer relationship management) tool, capable of tracking donations, managing conventions, running door-to-door election canvasses and complying with all facets of the *Canada Elections Act*. A small group of qualified suppliers, staff and volunteers fended off the quick-buck artists and created a complex, custom IT solution worthy of a case study in the discipline. (Its development, assiduously project-managed and delivered on time and on budget, would have been instructive to the “planners” of the federal gun registry.) This new tool, admired by parties around the world, is the state of the art in modern politics, and its potential is just becoming more fully revealed. It passed its first test with flying colours, the national “super weekend” of voting by tens of thousands of Liberals in over 400 associations. In its second test, the leadership convention, it yielded no registration line-ups and processed close to 5,000 delegates in 45 minutes on each round of balloting. This tool will become a source of competitive advantage for years to come in the areas of communication, fundraising and getting out the vote.

On the fundraising side, the party is going through a sometimes-painful culture shift. Outside of a small group of core activists, Liberals, throughout their history, were never asked for their money. Moreover, as the party of the broad middle, Liberals lacked an issue set that favoured the development of a moti-



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vated donor base. Gun owners, values voters and religious conservatives all give freely to Conservatives. Conversely, there is a very small donor constituency for the core Liberal philosophy of balanced budgets and new social programming.

While the party needs to stay disciplined about achieving its objectives, closing the fundraising gap is possible within the next five years. A new and professional fundraising staff is, for the first time, executing a plan designed for the new political financing realities. The \$1,000 Laurier Club, which at the end of 2003 had less than 500 members (who paid with corporate dollars), now numbers over 3,000 in every province and territory. Small donations and Internet contributions have increased exponentially. On January 1, 2004, the Liberal Party woke up with

an eligible individual donor base that represented about \$400,000 annually. At the end of 2006, that \$400,000 had become close to \$7 million.

In any business, a three-year growth rate of 1,750 percent is, to say the least, perfectly acceptable. This rate of growth will be hard to match in the future. Yet, the Liberal Party will close this gap and compete toe-to-toe with its principal rivals in the years ahead.

Financially, the Liberal Party of Canada ended 2006 with a surplus bank balance, debt-free provincial and territorial associations and a larger-than-ever donor database. Much as Jean Chrétien and Paul Martin tamed the federal deficit, Canada’s Liberals have once again proven, by the management of their own affairs, that fiscal competence is a core attribute of their party.

Aside from a long leadership race, the party initiated other important efforts in an effort to give its new leader a revitalized political machine. A policy renewal exercise, including 30 task forces, consulted thousands of Canadians, Liberals and non-partisans alike, on prescriptions for

force eloquently recommended that the party's constitution create:

- an "evergreen" culture of grassroots policy development, attached to a platform "outcome";
- a national membership — a sort of Liberal citizenship — with com-

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the future. The Renewal Commission, co-chaired by five leading Liberals (including three women), yielded an impressive output of policy ideas in areas stretching from the environment to the public service, from party reform to foreign affairs. The task force reports will serve Stéphane Dion and his platform advisers, Scott Brison and Bob Rae, with a high-pressure pipeline of new ideas as they assemble a governing vision for the country.

Most importantly, however, the party initiated what most long-standing Liberals thought impossible — an ultimately successful reform of its own constitution. Aside from contributing to the above-noted structural disadvantages, the Liberal Party of Canada's founding document was an incomprehensible mess of structure, inefficiency, balkanized membership and even algebraic formulae for the determination of Aboriginal representation.

**W**hat was required was simple. However, previous reform efforts were stymied by the complexity of stripping away entitlement and structure. A "Red Ribbon" task force of grassroots Liberals decided to keep it simple. Its recommendations, contained in a report issued in August 2006, evoked the imperatives of a modern political institution. The task

mon fees and eligibility everywhere in Canada;

- a national governance structure reduced in size by two-thirds;
- a permanent campaign structure;
- clearer mandates for provincial wings and commissions; and
- a Council of Presidents, an annual gathering of the Liberal "family," designed to coordinate party activity and ensure accountability.

The sum total of these changes, captured in a revamped constitution that was overwhelmingly adopted in Montreal, will create a "bottom-heavy" organization, centred on the relationship between the national party and riding associations. The party had, over time, created structures in between these two most vital political organisms that impeded its political success on the ground. Now, provincial wings and party commissions will have to support this party-riding relationship, and focus on outcomes such as getting more women elected to Parliament, identifying candidates, assisting riding organizations, and generating policy ideas.

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To be sure, challenges remain. Rural voters, especially those in the West and in Quebec, need to be attracted to the Liberal coalition. More women need to run for Parliament as Liberals. The party needs to be disciplined about executing its fundraising plan and on breathing life into its new constitution and grassroots involvement.

Yet, as Stéphane Dion's Liberal Party sets about preparing for an election, it will find that it has more financial resources, well-funded provincial wings, a modern and coherent structure and a more engaged activist base than any in recent memory. Ten thousand Liberals in Montreal — the biggest such gathering in history — were proof positive of the power of opening the doors to political involvement. As Howard Dean, progenitor of citizen political engagement in his country, observed in Montreal, "If you want people to support you, then ask them." When asked, Canadians everywhere responded in the tens of thousands. Liberals will, for a very long time, reap the rewards of restoring oxygen to their supporters and effecting what could well be a remarkable — and quick — political turnaround that defies the odds.

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