

As a Fellow of CIRANO, I recently published *Manifesto for a competitive social democracy*.

According to me, most current debates on social, economic and political issues come not from conflicts between left and right or neo-liberalism or socialism, but rather from a confusion between ends and objectives on the one hand and ways and means on the other. I argue that the competitive social democracy model will allow an improved capability to take advantage of opportunities offered by the new information and communications technologies, the globalization of markets and the internationalization of cultures, and to confront the economic and social challenges posed by these developments.

Competitive social democracy is defined with respect to three basic elements: the ability of individuals to make rational choices, the social compact that defines and shapes individual values, and the need for explicit and effective coordination and motivation mechanisms toward an optimal use of available resources.

It is a realistic vision of the State that justifies the constraints, imposed in the competitive social democracy model, on public and political power, in particular with regards to the production and distribution of public and social goods and services, to the benefit of a systematic recourse to more transparent processes, namely competitive processes, markets or otherwise.

The traditional social democracy is based on theoretical and political discourses and a social model that is worn, obsolete and outdated. It is a social democracy that is oriented towards the preservation of acquired rights, the protection of rents and corporatist interests and the preservation of sacred cows, in short a social democracy that is deficient on motivation and innovation, tolerant of mediocrity, locked in its past, and coated in a set language (*langue de bois*) where the form and container dominate the real content.

The new competitive social democracy is a social democracy that is modern, innovative, accountable, based on a social model based on the socio-economic analysis of efficient organizations and institutions. It is a social democracy firmly oriented towards the goals and objectives (to be achieved through the most effective and economical ways and means), open to technological and organizational changes, and favourable to the emergence of competencies as the basis for power in all environments and in all spheres of activity. It is a social democracy which continually reiterates in a credible manner its willingness to recognize the real and tangible contributions to the betterment of society, in short, a social democracy that is flexible, motivating, enterprising, hostile to mediocrity, and allergic to the control by self-centered interest groups of any kind on public power, its prerogatives and its programs.

Five major programs define the new social democracy competitive.

1. Promote the development and maintenance of core competencies in the governmental and competitive sectors. The role of the former is to identify the citizens' needs in terms of public and social goods and services (PSGS), to make the necessary arbitrages, and to manage the contracts and partnerships for their production and distribution at the lowest possible cost and in the citizens' best interest. The role of the competitive sector (private enterprises, cooperatives, community organizations, civil society organizations, non-profit organizations, etc.) is to produce effectively the PSGS, using the best human and material resources available, motivated as it should be by the search for a maximal competitive efficiency.

2. Promote the systematic use of competitive mechanisms in the production and distribution of PSGS and avoid the manipulation of signals of relative scarcity and value that competitive prices represent; encourage the development and implementation of a right to challenge and replace eventually the current producers and distributors not only private goods and services but also of PSGS.

3. Foster the primordial responsibility of all individuals in the development and maintenance of their portfolio of skills; develop adapted risk management tools and instruments to allow individuals to confront the inevitable changes in their economic environment (plant closure, relocation of jobs, new jobs creation and new opportunities, offshoring, etc.); involve, in a credible manner, private and public businesses and organizations in education and lifelong learning endeavours and institutions.

4. Reduce the implicit marginal tax rates of the unemployed and welfare recipients when they manage to find full-time or part time jobs and reduce marginal tax rates for higher paid individuals to increase the value of skilled labour and skills acquisition; reduce income tax rates as well as the complexity of the income tax code, encompassing all income sources in the tax base and imposing a minimum tax in order to promote social inclusion; avoid maintaining low-income people in a quasi-permanent state of dependency through a program of direct income redistribution with strong incentives toward individual autonomy, and similarly for firms facing particular competition conditions and challenges.

5. Develop processes and methods for rigorous, transparent, independent and credible evaluations of public policies and programs.

The *Manifesto for a competitive social democracy* can be downloaded and distributed free of charge:

<http://www.cirano.qc.ca/pdf/publication/2009MO-02.pdf>