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To Interpret the World and To Change It

an interview with David McNally

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Stephen McBride & Heather Whiteside, Dave Broad, David Camfield, Paul Kellogg, Carlo Fanelli & Mark P. Thomas, Bryan Evans, Simon Enoch, Ted Richmond & John Shields, Richard Roman & Edur Velasco Arregui, Ruth Felder & Viviana Patroni, Ian Hussey & Patrice LeClerc

Book Reviews

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TABLE OF CONTENTS

ISSN 1918-2821

Socialist Studies / Études socialistes 7(1/2) Spring/Fall 2011: 1-36

INTERVIEW

To Interpret the World and To Change It

Interview with David McNally[1]

MURRAY COOKE
York University. Toronto, Ontario, Canada.

Keywords
David McNally; feminism; global justice movements; language; Marxism; radical political economy

Mots-clés
David McNally; économie politique radicale; féminisme; langage; marxisme; mouvements pour une justice globale

David McNally is a life-long Marxist activist and scholar. He is the author of six books, *Political Economy and the Rise of Capitalism: A Reinterpretation* (1988)*, Against the Market: Political Economy, Market Socialism and the Market Critique* (1993), *Bodies of Meaning: Studies on Language, Labor and Liberation* 2001), *Another World is Possible: Globalization and Anti-capitalism* (2002, 2nd revised edition in 2006) and *Global Slump: The Economics and Politics of Crisis and Resistance* (2010). His forthcoming book is *Monsters of the Market: Zombies, Vampires and Global Capitalism* (2011). He is a frequent contributor to *Studies in Political Economy* and *Historical Materialism* and to progressive, left magazines, including *Against the Current, Canadian Dimension, International Socialist Review* and the *New Socialist.*

David McNally undertook his undergraduate studies at the Evergreen State College in Washington and at York University and graduate work at York University in the Social and Political Thought programme, completing his PhD in 1983. Since that year, he has been Professor in the political science department at York University. His contributions to political economy, include analyses of classical and radical political economy and materialist theories of language and culture. He has written about Marxism, socialist feminism and anti-racism and anti-capitalist struggles, as well as democratic theory. A frequently-invited speaker, his most recent scholarly engagements include invitations to

[1] Transcript and introduction by Elaine Coburn, CADIS-Ecole des Hautes Etudes en Sciences Sociales, Paris, France.

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lecture at the Global Studies Association, the Canadian Political Science Association, the Historical Materialism conferences, and the Li Ka Sing Knowledge Centre at the University of Toronto.

Alongside his academic work, David McNally has been an activist since he was a teenager, when he participated in anti-Vietnam war protests and formed a campus chapter of the Committee to Free Angela Davis. A long-time member of the International Socialists and later the New Socialist Group, he participates regularly in anti-capitalist struggles and movements. In Toronto, he supports the Ontario Coalition Against Poverty, No One is Illegal, Coalition Against Israeli Apartheid/Faculty for Palestine, and the Greater Toronto Workers Assembly, among others. He regularly blogs about current events and his most recent scholarly and activist work on his website (http://davidmcnally.org).

This interview took place in March 30, 2011 at a downtown Toronto restaurant. The transcript has received only the very lightest editorial touches; David McNally speaks clearly and in full paragraphs.

Murray Cooke: Your website (http://davidmcnally.org) states that you've been active in progressive politics since high school, when you joined the movement against the Vietnam war. How did this politicization occur – did this come from your family, did you grow up in a 'left' household, or did the politicization occur because of the times, since you were an adolescent during the turbulent 1960s?

David McNally: I think it was very much a product of the times. I came from a very typical family of Irish Catholic descent, which is to say people voted Liberal, because that's what Irish Catholics did. And it was really more a product of being a young person growing up in the 1960s and being surrounded by music that was starting to express all kinds of social protest themes and being surrounded by the visual images of things like the civil rights and black power movements, the war in Vietnam and so on. And really starting to try to understand what it was about our society that could breed racism and war, for instance. And so I just found myself gravitating to protest politics.

And I think the most dramatic moment for me personally was in the spring of 1970 when antiwar students were shot at both Kent State and Jackson State universities in the US (United States). And the idea of seeing these young people shot for protesting the war was enough to make me sit up and pay attention. And the calls went out for demonstrations and so on. So I went to what I didn't know was the largest anti-Vietnam demonstration (in

Canada). This was in May of 1970, in front of the US consulate on University Avenue in Toronto.

So you were in high school in Toronto…

I was north of Toronto, a small town north of Toronto. And I was sixteen and I went down to see and participate in my first mass demonstration of ten thousand. It was charged by police on horseback, there were over one hundred arrests and so on…So it was a very politicizing moment and experience. And I think it really just… In that sense, I was a product of a particular historical moment.

And so then did you take that new political awareness back to your high school?

Absolutely. I was involved with a group of Toronto area, really GTA (Greater Toronto Area) high school activists, in something called the League for Student Democracy. We were doing anti-war agitation. But also organizing around student elections to demand greater student powers, trying to break some of the authoritarian codes that existed within the high schools and that sort of thing. So we had a network of radical high school activists and some of them are still around on the left today.

Your website jumps to say that you formed a campus chapter of the Committee to Free Angela Davis. So that was after high school, when you went to university, York University?

No, that was at the Evergreen State College in Washington, Olympia Washington, where… I was somebody who had to get out of high school and we had mandatory grade thirteen to go to Canadian universities at the time. I found a brand new university in the US that didn't have grades. And it was much more experimental and they looked at the application I wrote and admitted me. I was already at this point, as a high school student, reading Herbert Marcuse and this kind of radical literature. I was ready to do more intensive study and arrived there in Washington state, then in 1971, to start my undergrad studies.

And this was really a period where the movement to free Angela Davis, who had been arrested under Ronald Reagan in California and charged with very, very serious crimes for which she was ultimately acquitted (began). But

we had no campus chapter of that movement. And Seattle being the closest large city, when I went into Seattle I would go to the radical bookstores and pick up literature and buy left-wing newspapers and all that sort of thing and came across the literature of the Campaign and the Committee to Free Angela Davis. And so with one African-American student, he and I started a campus chapter.

So then from there, how did you end up at York University?

Largely it was financial and family pressures. Which is to say that foreign student fees were going up at the time and I didn't see how I could afford to continue to study in the US. And I had a parent who was ill at the time; I was the oldest child so I really felt family responsibilities also. So I came back to Toronto. And at that point it was so obvious to a sort-of politicized undergraduate like myself that York university was the place where I could find faculty and courses where I could really study these sorts of topics and themes that were consistent with my own radicalizing political interests…

Was it particular faculty that you were attracted to? Although I know later it wasn't your sole focus, as an undergrad were you in the political science programme?

I actually…I had this kind of combined Social and Political Thought slash Political Science major ultimately. Although I was as much or more in philosophy courses in the beginning as anything else.

But the attraction of York was multiple. On the one hand, some Canadian universities wouldn't even look at me without my grade thirteen. And York was still unconventional, which is to say that I met a faculty member, discussed my interests with her. She sent me to see someone in the Registrar's office with a message saying, "This kid's bright enough to go into second year. He shouldn't have to go back to first year. Read his work." They shopped some things I had written in my first year out to faculty members who said, "Absolutely, put him in the second year." And York was still unconventional and flexible enough at that point, in the early '70s, where the bureaucratic regimes which said, "He doesn't have grade 13 therefore he starts in first year" didn't apply. Partly it was that about the institution.

And then there was no question that York was already developing its reputation as a place for critical theory, widely defined, and this was really across the social sciences. It was simply a less conservative, tradition-bound

university. It was also at that point heavily committed to interdisciplinary approaches, and so my gravitation into Social and Political Thought, for instance, made a lot of sense in that context…

In terms of your political involvement at York, as an undergrad, you were involved in the Ontario Waffle after it was essentially expelled from the NDP (New Democratic Party). Soon after this initial split with the NDP, the debate over left nationalism caused the final split within the Waffle: the radical leftists, including yourself, rejected the nationalist line of the leadership. Ultimately, fairly quickly, this led to the formation of Independent Socialists, later the International Socialists, around '75-'76 .

How did you get involved in the Waffle initially and what was the process leading up to the split and the formation of IS? Not necessarily the details, the personalities, but the politics in the broader sense -- what political and theoretical influences were shaping you at that point?

Right.

Keep in mind with this that the story of the Waffle is a more complicated one than I think most people appreciate. My involvement happens after the Waffle was expelled from the NDP, so I don't have that prior history.

When the Waffle left the NDP, one of the things that it had to struggle with was what differentiated it from the NDP. And initially, many of the Waffle leaders decided that it was time to be more explicitly socialist, even Marxist, in character. The meeting at which I made the decision to join the Waffle, Jim Laxer, one of its key leaders, made the statement: "It is now time to bring Marx out of the closet." And I already considered myself a Marxist. That was really important for me. I had reservations about the Waffle's nationalist commitments, but the declaration that this was a Marxist organization trying to build a socialist movement, was really important for me.

The other thing about the Waffle that is often forgotten is that it had a real base among trade unionists: that was what really distinguished it. When I looked at the left groups in this city at that time, most of them were overwhelmingly student based. But when you went to a Waffle event, there were steel workers, auto workers, health care workers, nurses and so on, many of them very well rooted trade union activists, in its midst. And moreover, the Waffle, in the early stages of its independent existence outside of the NDP, was distinguished by doing strike support work. For instance, the York Waffle group that I joined was doing a lot of week-in week-out strike

support work with a slightly famous strike, at the time, the Artistic Woodwork strike up in North York, the Downsview-North York area. So several times a week we would join solidarity pickets and we would bring students from York. And we also brought strikers to campus forums. We had a forum of about two hundred students, for instance, in solidarity with the Artistic Woodwork strike. So my attraction to the Waffle was more towards those elements of more radical working class activism and the more explicitly socialist-Marxist elements. I had big qualms about the left-nationalism.

But the tension between these different elements really came to the fore in the 1973 federal election when Waffle candidates ran. Three ran in Ontario and in Toronto, we were campaigning for one candidate and the election literature came out saying that, "A vote for our candidate was a vote for Canadian independence." And a lot of us turned the literature over, upside down, to try to find references to socialism, which is what *we* thought we were out for.

And we were shocked. And this was really the beginning of a debate.

Now, arguably the tension was there from the beginning. But the Waffle was trying to navigate some balance between its socialist and left-nationalist commitments. And for whatever reason, sections of the leadership at this point, in the middle of '73, decided to make a hard turn away from the socialist emphasis and towards the emphasis on Canadian independence. And that's where the debate started.....

6

And, ironically just because we were young activists reading a lot of left-literature, the critics of the nationalist turn within the Waffle, of which I was one, encountered much more internationalist literature coming from the British International Socialist (IS) group. But the other thing that we quickly twigged into was that this was a far left group, the British IS, which actually had a very serious working class orientation. They had perhaps a couple of thousand trade union members at that point, very active in building rank and file movements in the unions throughout Britain. And so the same thing that attracted me to the Waffle, the seriousness about grassroots trade union working class organizing, also seemed to apply to the British current, the IS. Except that it didn't seem to be compromised by the nationalism; they were very explicitly internationalist.

So even though to some people it looks like a very idiosyncratic development, once you realize how strong the trade union orientation of the Waffle was in 1973-74 then, in fact, the movement from the Waffle into arguably the most rooted, far-left organization in terms of working class roots

in the English speaking world, isn't quite as much of a jump as people might think.

Why the Waffle ultimately raised the ire of the leadership within the NDP, particularly Stephen Lewis, is often traced back to the Waffle involvement in the labour movement: to the sort of rank and file organizing that you are describing, and to the fact that the Waffle was critical of international unions and also of the conservatism, the bureaucratic nature of the labour union movement. Some of the history suggests that it was then the labour movement folks who pressured Lewis (to expel the Waffle)– and maybe it didn't take a whole lot of pressure -- but they were the driving force that got Lewis to finally act…

I think there is a lot of truth to that. The NDP establishment may not have been happy about the presence of a left opposition within its midst, but it was when the Waffle began to do its own independent organizing within the labour moment that the heat really rose. And this was in particular around the Autopact and organizing with UAW (United Auto Worker) activists, particularly in Windsor. As the Waffle began to stake out its own particular position and was attracting auto workers activists around it and also, in some sense, galvanizing their critical relationship to the leadership of the Auto Workers Union and others, a lot of pressure did built up, no question, in the Ontario Federation of Labour (OFL) leadership, to get rid of these guys: "They're troublemakers, they are making our life difficult in the OFL."

And I think you're right, Stephen Lewis more or less did the job.

And then the IS emerged from the York Waffle, so initially the IS was primarily undergrads from York.

There is no question that the core group that wrote the dissident, critical documents around the Waffle were based at York University, based around the York University Waffle group. But there was another layer of activists in Hamilton, Toronto and so on, that was labour-based. So that when the disintegration, really, of the Waffle occurred and the Independent Socialists were initially formed, later to becomes the International Socialists, although the core group clearly came for York undergrads, there were health care workers, municipal workers, nurses and so on who were also part of the mix. And that tells us something about the problems that the Waffle was grappling with.....

Related to that, throughout your career, you have challenged the left-nationalist tendency within Canada. Your academic work in the 1980s, including your articles in *Studies in Political Economy* (see McNally 1981, 1986) criticized the Innis-based approach of the new Canadian political economy. And by the end of the 1980s and into the 1990s you were engaged in a critique of the left-nationalist discourse that imbued so much of the anti-free trade movement in Canada (see McNally 1990). Along with other authors, such as William Carroll (1986), you critiqued the dependency approach by pointing to the strength of the Canadian capitalist class. And you and some of your students, including Jerome Klassen (2009) and Todd Gordon (2010), have gone so far as to describe Canada's role as imperialist.

What do you think is at stake in these debates about Canada's role in the world? Do you think that perception has been changing because Canada's role itself has changed? Or is it that there is a new cohort of academics and activists looking at things in new ways?

Well, in terms of what's at stake, I think that the debate in the Waffle threw up that question for us, since we saw an emphasis on a certain kind of Canadian nationalism as blunting the working class, socialist commitments of the organization. And to develop a critique of that trend within the Waffle required re-examining a lot of the theses upon which it had built its understanding of Canada and Canadian capitalism. And at the time, there was within the Waffle but far beyond its ranks really, a whole wave of literature and analyses which applied the dependency thesis to Canada. Which is to say, analyses that try to argue that Canada was either a direct colony of the US empire or a semi-colony or a neo-colony or a dependency. And different theorists used one or more of these categories to try to characterize it.

But what happened in that analysis in all its forms is that the external relationship of the Canadian economy to the American became the key analytical lens through which we understand the Canadian economy. And what this tended to do was to blunt both the national and colonial oppressions internal to the development of Canadian capitalism, that is to say, in particular the internal colonialism with respect to Indigenous peoples but also the semi-colonial status of Quebec within the Canadian formation. And this also blunted class analysis of Canadian society because the key thing was understood to be the national problem and so one made nationalism or anti-imperialism the forefront of everything according to that analysis. So that the political stakes looked quite real.

But, it also seemed to many of us that the analysis was faulty on multiple levels. To begin with, it just didn't seem convincing that Canada should be analysed in terms of its place within the world system in the same terms as Zimbabwe or India. It just didn't seem credible to us. People then improvised in an ad hoc way on the dependency theories, so we got theories of a 'rich dependency'. But all of these seemed to be theoretically extremely weak and unconvincing and so it became an important theoretical problem to rethink the formation of Canadian capitalism. And there it became clear to me that most left-nationalist or dependency-school analyses had really tried to build off of the quite important and pioneering work of Harold Innis.

And I was never interested in diminishing the significance of Innis' research for a whole variety of reasons, but I wanted to probe its theoretical foundations and in particular to illuminate the ways in which a market-centered or Smithian project informed Innis' work, all the way along, and how he tended to revert to a kind of commodity-based determinism: that each staple product involved a certain ensemble of labour processes and technologies and these determined the pattern of economic and social development. Not only was it highly deterministic but the class formations at the heart of Canadian capitalism, including the internal colonialism, really gets muted in that analysis.

And so far all those reasons it seemed important to develop an analysis which could put both the class formation and internal colonialism problematics to the fore but also could account for the fact that Canada was among the developed economies in the world system and played, if you will, a junior role within the camp of empire, of the imperial powers. And so that's really what I was trying to do in developing that analysis.

But, I think that you are right, in terms of the last part of your question, that there has been a very significant shift in analysis and I would say that has to do with the empirical failures of the dependency thesis. I mean the claims that were made in the 1970s were that an independent Canadian economy was disappearing, that it was going to become nothing but a branch plant extension of the US economy. And during the 1980s we began to see a whole series of empirical trends that defied this: most importantly, the fact that for a whole historical period now, for a quarter century, Canadian foreign direct investment has exceeded foreign direct investment inside the Canadian economy. That is to say that Canadian capital has been buying up more foreign assets and expanding more on the global stage than its own assets have been bought up by foreign investors. This was something completely unanticipated.

It went right against the grain of the dependency arguments that were everywhere in the 1970s, so there was a real empirical problem there.

Second, it seemed more and more transparent that the Canadian state was operating quite often to defend and promote Canadian-based multinationals, particularly in mining, but more broadly, in parts of Africa, Central and Latin American and the Caribbean. And that it was doing so not as a mere reflex of American interests, but that in fact it was very much defending and promoting the interests of Canadian based capital.

So some of the work that you've referred to, Jerome Klassen and Todd Gordon's work in these areas, for instance, really was designed to theorize those developments of a much more globally present Canadian capital within the world system. And so I do think there is a shift. I would also say that a younger generation of activists and scholars has been increasingly attentive to the colonial and racialized patterns of Canadian social formation and as they have highlighted those, it has forced them to treat Canada as involving a colonial project itself from the start. And so rather than poor old Canada getting kicked around by the US, the Canadian state starts to look like a state complicit in racism and colonialism…

And I think we've learned a lot from those analyses.

And that probably influences how we organize, how the left organizes around issues -- the rights of migrant workers, for example, or how we understand the Canadian state's negotiation of investment treaties with countries in the developing world.

Yes, definitely.

I think it's one of the things we see today with the younger generation of left activists in Canada. They are much more responsive to Indigenous struggles and claims for Indigenous sovereignty, self-determination. They are highly attentive to the behaviour of multinational corporations around the world, whether it's groups like Mining Watch or those sorts of organizations. And there has been much greater concern with migrant justice and with recognizing the highly racialized patterns of the Canadian labour market that have been promoted by governments at all levels in Canada.

So I think its true all of that has reframed a lot of these political discussions and frankly, been very influential in the development of my own thinking in recent years.

Switching back to your own academic development, you completed your PhD in Social and Political Thought (SPT) at York University in 1983. Your dissertation was later published as *Political Economy and the Rise of Capitalism* (1988), a book that examined the classical political economists of the 17th and 18th centuries, particularly Adam Smith, and their understanding of the rise of agrarian capitalism. How did the SPT programme influence your intellectual trajectory and what drew you to the debates on the origins of capitalism?

Well, in terms of Social and Political Thought, there is no question that I was drawn towards an interdisciplinary programme. My own interests really span political economy, philosophy, social history and the like. So a programme which allowed me to draw upon faculty from a variety of disciplines was incredibly appealing. My PhD supervisory committee had an economist, a political scientist and an historian on it, for instance, and that sort of configuration simply wasn't available in most programmes. So SPT made a lot of sense for me in that regard.

Then in terms of the problems that were posed, there was a raging discussion across the left in the 1970s and 1980s really about our understanding of capitalism in general and capitalism as a world system in particular. And consistent with the dependency theory approach that I was critical of in the Canadian case, a variety of dependency and world system approaches really saw capitalism in terms of a set of market-based relationships. That is to say, it was the spread of commerce and the spread of markets which became definitive of capitalism.

But in contrast to that was another line of argument, perhaps most famously associated with several key articles in the 1970s by Robert Brenner (for instance, Brenner 1977), which argued for the class specificity of capitalism, insisted that ultimately it was the forms of surplus production and appropriation which were key to understanding how any mode of production operates, and that dependency and world system's theories tend to displace those questions and focus simply on market transactions and the spread of markets. So that was really important for a lot of us, in terms of making sense of how we analyze and understand capitalism.

But then I was also drawn through that to wanting to have a better analysis and understanding of the whole history of political economy, since the critique of political economy had been Marx's project. But very few of us actually go back and read the people Marx read -- we take on board Marx's readings.

I don't know many Marxists who have written as much about Adam Smith as you do!

Yes, that's probably true. That may be some odd obsession (laughs).

One of things I discovered in looking at it was that actually Smith's theories fit much more nicely with a lot of the then-recent Marxist understandings of the rise of capitalism than people had appreciated. I came to see the degree to which Smith was focussed on the agrarian sector, for instance, and one of the things that a lot of us were really starting to appreciate was the key importance of what Marx in *Capital* calls primitive accumulation, that is to say, the dispossession of the direct producers from the land and how crucial that is to the formation of capitalism. Dispossession -- which of course now we often discuss in terms of David Harvey's concept of accumulation by dispossession (see Harvey 2004)-- that process was already becoming central to the way a lot of us thought about the emergence of capitalism. And I was struck by the degree to which Smith seemed to understand more of that than the market-centered analyses suggested.

So my own research was, at that time, moving on a couple of tracks: one was the social history of capital itself and the other was the intellectual history of political economy. And I started to bring those two themes together in my analysis, in terms of my PhD thesis, and I think in many respects that work still remains foundational to the way that I think about capitalism today.

You did your undergraduate career at York, then completed your PhD here, and you've been teaching at York for a number of years. All of us this adds up to quite a long experience at York. How do you think York has changed over the years? I think of changing political fashions and the larger ideological climate, the different pressures on undergraduate students today compared to when you were an undergraduate, structural changes in postsecondary institutions related to the rise of neoliberalism and the attack on the public sector…

In particular, how has political science but also SPT at York remained Marxist in a political and ideological climate that's become clearly hostile to these ideas? And in that, what is the significance of labour struggles -- the famous or infamous YUFA (York University Faculty Association) strike of 1997, but also the two CUPE 3903 strikes (CUPE 3093 represents contract faculty, and graduate, research and teaching assistants) in 2000 and 2008-2009-- in terms of ongoing efforts to defend the university against corporate visions of postsecondary education?

That's a huge question or set of questions. But, I'll try to at least give you a few loose thoughts on them.

I think the answer is that we have kept a core of critical thought at York. But not without a struggle. And I think we should never take it for granted. It would be very easy to lose the foothold for critical research and scholarship at York, or any university. But there is no question that the transformations have been massive. It is not simply the scale of the university, which has grown enormously-- but that is part of the story. There is the increased bureaucratization of York as an institution. Somebody simply could not get into second year the way I did, for instance, with a Registrar saying, "Yes, this seems like a bright young student. Let's get a couple of faculty to look at his work and decide what level he should be admitted to." That just could not happen.

Similarly, the interdisciplinary commitments have been under siege for quite some time. And that's got to do with a lot of the moves towards branding universities in terms of their marketable skills or the production of their marketable skills. Interdisciplinarity doesn't seem to sell in terms of the way that it has been perceived by neoliberals. I might argue that there, in fact, could be a distinctive market niche, quote unquote, for indisciplinarity. But that has not been the direction taken at York.

But most importantly, it's the transformations in the political and economic climate. York came into its own during a period of mass social protest in North America. It wasn't only in North America but that's what mattered ultimately in terms of the formation of the university. And so the young scholars who came into its faculties had been shaped by both the global protest movements, particularly in terms of the Vietnam war, but also the civil rights struggle, the emergence of feminism, the upsurge of radical trade union struggles in the late 60s and early 1970s. As a result, these were young intellectuals who were formed in this context and the theoretical traditions upon which they drew tended to go beyond the mainstream stuff that had been taught for a long time at North American universities. So you have a new university, with a young faculty, and a student body coming in that wants to engage the questions of the moment. All of that really produced a very unique university environment, where critical knowledge, dissenting and dissident theoretical traditions could really flourish. And it's not surprising that York became a site for a lot of the best critical scholarship on the left at that time.

But the key problem for anybody working inside the university is that what you do is so highly dependent upon struggles outside the university. And as working class and left movements receded from the late '70s onwards, it became much more difficult to maintain a toehold in those struggles and to let them inform what we do inside the academy. And this produced a series of effects. On the one hand, some faculty abandoned many of their earlier radical commitments. They decided that they had been duped by youthful enthusiasms and that they would now move to more mainstream sorts of theoretical traditions or to some of the newer ones that seemed trendy. And the so-called post-structuralism and post-modern turn often figured there: it -- too often -- provided an exit strategy for people who didn't want to identify themselves with the old discredited traditions that they'd rejected earlier on, but didn't want to maintain leftist and Marxist commitments anymore. It sounded radical, because we were criticizing governmentality and binaries…

…deconstructing…

..deconstructing… lots of stuff. So it sounded like it was critical even though many of the political commitments, particularly to emancipatory politics, were receding at the time. So you've got that larger cultural, intellectual environment.

And then you have the direct attempt by neoliberals to reshape higher education and to reshape the universities and in particular the assault that they launched on critical knowledge production. They were interested in labour market based education. Education that was not about critical knowledge but about the skills necessary for -- and then their slogans changed -- 'the new knowledge economy', whatever it might be. And so they wanted to re-shape the university. As a result, you had both the sort of internal transformations induced by a change in the broader political climate and the huge external pressures applied by neoliberal governments who wanted to reshape the university as a labour market based institution. And there is no question that the strikes that have taken place at York since 1997 have to be seen in significant measure in that context.

I don't want to say that they are the only issues. We've also got the rise of precarious labour inside the universities as the key part of the story of neoliberal restructuring, for instance, and that plays itself out through all of these strikes, as well. But that wider neoliberal context is part of the story of those strikes. Which is to say, there is a particular agenda that university

administrators want to implement consistent with that coming from governments, which is to reorient higher education, to tier higher education. In other words, they want to create a subclass of pure and simple teachers and then an elite group of researchers within the university. And that tiering of faculty is insidious in terms of solidarities of the various groups of teachers within the university. That that tiering will ultimately destroy solidarity between unions and within bargaining unit groups. But it's also a completely different vision of what the university is. And all of that has played itself out in the strikes you mentioned.

Fortunately, none of the strikes were completely defeated. Arguably the YUFA strike of 1997 was sufficiently successful to beat back some of the worst aspects of neoliberalism, one of the most important being that we defeated any requirement that faculty members must move towards digitally-based on-line delivery of course materials. Faculty had a choice in that regard. And we very quickly beat back the Berkeley-style scenario, in which the university owns all of your course materials which can then be put on line and commodified.

So you can see certain victories there.

There is no question that the first of the CUPE strikes (in 2000-2001) is really significant also in terms of beating back parts of the neoliberal agenda. I think the most recent strike (from 2008-2009) is a more mixed story. I think the university, the university administration, excuse me, was able to make bigger gains on its agenda. But it has to be said that feisty campus unions have managed to blunt the full implementation of the neoliberal agenda.

Now, that then takes me back to York political science, because…We need to be balanced here. The department does have a certain kind of Marxist reputation, even though it's very clear that Marxists are a distinct minority within the department. But one of the things that I think we have managed to do a better job of in recent years is to create a much more robust alliance among people teaching in a variety of critical traditions. And so I think for a period of time there were real tensions, for instance, between critical feminist scholarship within the department and people who would be more identified with Marxist research, people doing critical international political economy and people more identified with Marxist political economy. And I think that one of the things we have managed in recent years is to create a better understanding and sense of community across some of those critical, theoretical practices, where people recognize we need each other. We can

learn from each other in really quite interesting and challenging ways. And we need to work together to preserve critical spaces.

What is interesting about the York department is that a lot of the critical scholarship is very widely recognized outside of the University. And so we are often seen as a more left department than we might be. The degree to which we are a leftist department might sometimes be overstated. But I think what is true is that critical, leftist research in a variety of forms, has a space in which to operate. And that does make York political science distinctive. And it has an identity based on that and it would not be impossible to root it out, but it would be difficult. Somebody in the university administration would have to go after many of the best internationally recognized scholars and the work they do. And frankly that's sort of self-defeating because in many ways the university, in a lot of ways that senior administration may not appreciate, actually gains from this unique sort of intellectual culture that we build from within the department.

So the administration should be marketing their radicals in the political science department!

That's the irony, that's the irony, isn't it! There is a certain niche for critical left scholarship that the York department offers but it doesn't fit with the overall messaging that the neoliberal university likes.

It certainly attracts wonderful international scholars as graduate students.

Following some of those different trends in the political climate and relating them to your own work, in the early '90s, you returned to some of the classical questions and debates in political economy, including Adam Smith again, in *Against the Market* (1993). To some extent, I think this was your response to the fall of the Soviet Union and the resulting crisis in confidence of some sections of the left, that led to renewed interests in markets and ideas of market socialism. It's probably accurate to say that you held no particular illusions about the Soviet regime, but particularly with hindsight, some twenty years later, how did the collapse of these Soviet regimes have an impact on the left and in your own political practice and intellectual development? In particular, shortly after this, you split from the IS and took part in the formation of the New Socialist group. To what extent was this a response to the new political context and an increasing emphasis on anti-oppression politics, particularly feminism and anti-racist thought, too often overlooked by

Marxism? And how was this related to re-thinking political organization on the left, as well?

Let's start with the larger context and the fall of the Soviet Union that you began with. It was a complex and contradictory moment for people like myself because on the one hand, we hadn't had illusions about what we saw as the Stalinist regimes of Eastern Europe. We didn't believe they represented a kind of socialism. So in the first instance it was easy to be on the side of popular democratic uprisings that were expanding the spheres of freedoms and democratic rights. But having said that, I think we underestimated the overall impact that this would have on the left and for two reasons.

One was, the wider context in which it was happening, which is to say the rise of neoliberalism. In fact, the fall of the Soviet Union and its satellites, even if you had no illusions about what they represented, was largely seen as part of the political vindication of the radical turn to the market. And I think we underestimated the significance of that at that time, in part because we underestimated the strength and durability of the neoliberal project, which is something I will come back to in a moment. And so at first, I think a lot of us thought this would be an opening toward the more libertarian and emancipatory traditions of the left, now that bureaucratically organized so-called socialism were gone.

And we were naïve on that front too. In fact, it was hugely disillusioning for thousands upon thousands of people of the left who, for better or for worse, had taken some confidence in the fact that there were regimes in the world that they saw as anticapitalist. And in a period of defeats for working class movements, for social movements and for the left, it was experienced as yet another big defeat, another big setback. And so it, in fact, had an enormously demoralizing and depressing effect across the left, which I admit I did not see coming. Rather than opening up space for alternative left traditions, it just closed down space for all of us.

And I think that that is related to the issues to which you've alluded, which is to say my own movement outside of the International Socialists, the formation of the New Socialist Group and a questioning of a lot of the inherited practices and analyses of the left. Because it started to become clear across the 1990s that we couldn't just keep saying that, "Capitalism is in crisis, capitalism is in crisis! The big breakthroughs for the left are just around the corner… "But that was what was being said in the IS groupings. The leadership of the British group had declared that we were in the 1930s in slow motion. So

it was the Great Depression again, it was just all moving a little more slowly. And therefore, all the groups had to intensify their activism, become ever-more dedicated, vigilant and committed. And that now was not a time for intellectual debates -- these were a distraction from the task of trying to really develop greater, rooted socialist forces in a very short space of time because great crises like the 1930s were impending.

Well, I was among those who were developing severe doubts about this analysis. You only really see the full fruits of my rethinking in my most recent book *Global Slump* (2010) where I offer a very new appraisal of the whole neoliberal period. But that was the beginning, in the 1990s, when I was just having serious doubts about these claims that we were in a prolonged crisis of capitalism and that therefore big working class upsurges were around the corner.

Didn't look that way. Didn't feel that way.

But also, the hothouse atmosphere of the small group was becoming more and more debilitating. When we first joined the IS in the 1970s, it was an incredibly intellectually open group. It was open to a wide variety of critical Marxist perspectives and approaches. It embraced socialist feminisms, it embraced anti-racism and that was all shut down across the 80s and the 90s. In fact, I got into more and more conflict inside the IS groups, because I wouldn't accept the feminist bashing that was now the order of the day. That was also a growing point of friction. And all of this was coming to head then throughout the 1990s. And then a group of us we just felt that we couldn't function inside a group that thought we were living in the 1930s, albeit in slow motion, that everybody had to raise their activism and commitment, that there was no time for debate and discussion -- this was just wasteful energies of intellectuals -- and that feminism and anti-racism were essentially distractions from the real tasks. And so by the mid-'90s, a number of us had concluded that for whatever reason we couldn't continue to function in that environment.

But, we didn't want to give up the idea of having collectives of people who work together, analyse together, share experiences, try to develop a kind of socialist politics that fits some of the key demands of our historical moment. And at the same time, we were clear that we really wanted to radically break from all of this self-styled vanguardism that small left groups tend to fall into. Interestingly again, when we first got involved with the IS in the '70s it was the explicitly anti-vanguardist. It said that the formation of *real* mass working class parties of the left was a very complex process and that no small group could

claim to be the centre of gravity of such a thing. You just had to hope to make a contribution to a wider process that would be very complex and that would bring together diverse strands of the left into new political formations. We sort of returned to that commitment in the New Socialist Group.

But equally important I would say, we decided that it was time for the left or the Marxist left at least, to do more than pay lip service to socialist feminism, anti-racism, queer liberation, eco-socialism and so on. That there had to be a really serious and systematic re-thinking of fundamental Marxist concepts so that that they would be reshaped and rethought in and through their encounters with feminism, queer liberation and so on. I am not saying that we've totally accomplished that but at least we set it as an agenda that needed to be done. And you're right that this was part of what I would call a sort of radical re-thinking of certain quote unquote certainties of the Marxist left. And I continue to believe that the 1990s posed fundamental problems for the left that we too often evaded with quick and easy slogans. And in fact, it required us to go back and re-examine a lot of our inheritance in a much more critical and systematic way and the New Socialist Group was simply one expression of that.

On the one hand, in the 1990s, we've got the aftermath of the collapse of the Soviet Bloc, the crisis of Communism. Not unrelated to that is the emergence of some different intellectual currents and new forms of critical thought. There is some connection between that and what became your next major work, *Bodies of Meaning*, which came out in 2001,which followed upon an earlier article in *Monthly Review* (1995) on the issues of language, the body and meaning. There you present a materialistic theory of language, in contrast to postmodern positions. So you're dealing with the new intellectual currents. Among other accomplishments, you retrieved the workers of Walter Benjamin from the clutches of what might be called postmodern 'mis'-interpretations.

Is it fair to characterize this book as a significant departure from your previous work? I know that the review in *Historical Materialism* (Collins 2003) generated considerable debate, so not everyone was open to your new approach. In part, does this reflect the necessity, particularly in that time period, of defending but also actually advancing the historical materialist approach against the poststructuralist critique – and not just resorting to the old debates, the old language?

I think you are right to see *Bodies of Meaning* as a departure. But, of course, there are always interesting continuities as well in all of these things. As I

mentioned earlier, I had had an ongoing interests in philosophy as an undergraduate and had actually been very immersed in what we might sort of call the Hegelian Marxist or dialectical tradition. And much of my thinking on pretty much all of the questions we have been talking about had been very much informed by that tradition. And as a result, I think in some respects as I was entering into this sort of rethinking that I'm describing, one of the things that I became unhappy about was the way in which Marxists were responding to poststructural and postmodernist theories. Most of the time they were just saying, "That's idealism. End of story." And even if there was some truth to the fact that there was a certain kind of new idealism at work in poststructuralism and postmodernism, this seemed to me not to engage seriously with what it was that was attracting a lot of young intellectuals and young activists towards postmodernism. And that's one of the things that I should say something about.

I was quite active in the anti-Gulf War movement, the first Gulf War in the early 1990s, and I was struck by the number of students who came to those demonstrations who clearly identified themselves with some form of postmodernism rather than Marxism. So it wasn't true that they had no interest in changing the world, no interest in resistance. But their coordinates were completely different than mine had been as a young person radicalizing in the 1970s. And as I began to think seriously about the problems that these young activists and scholars were grappling with it became pretty clear to me that the agenda of problems they were posing was not nonsense, contrary to the way some Marxists were reacting. In other words, they were trying to probe issues of culture, language and identity in ways that were important, even if I found the theoretical resources that they were bringing to bear on these problems inadequate, in all sorts of ways.

But, it does seem to me that on the left we do have a tendency often to think in simply political and economic terms and to act as if issues of culture, identity and meaning are of no significance -- when clearly for all of us they are. And I was spurred as a result of this to take seriously the work that was being done, but to also want to offer up alternatives from within a sort of heterodox Marxism that I felt could offer much more promising directions for work in this area that didn't give up its connections to, if you will, the historical materialist domain of issues of political economy and class and so on, without reducing culture and identity to some kind of crude materialist coordinates. And so I found in particular the work of the so-called Bakhtin school and of Walter Benjamin, to be really quite significant.

So *Bodies of Meaning* was an attempt to engage people taken by the postmodern turn, to take seriously their agenda and their commitments but to challenge the kind of theoretical traditions to which they'd gravitated. And in particular, I was trying to push the argument that in detaching language from human bodies and the social, material, embodied practices of humans, they'd come up with a very impoverished account of what language and culture are. And that this kind of approach that I was trying to develop within the book could actually give them ways of engaging those problems without forfeiting the embodied, materialist commitments.

And I should say that it was very useful to me that a variety of works, within what was then was being called materialist feminism, were moving on a parallel track. In particular, materialist feminism was a term coined I think initially by Rosemary Hennessey and I found that work very useful. And I think it continues to be very useful because people like Hennessey, most recently in her book *Profit and Pleasure* (2000,) were taking up a lot of the key issues of the postmodern turn, in Hennessey's case, gender, sexuality, identity, but trying to relate them to the social, material transformations of late capitalism. So in many ways my book was both building off on and trying to contribute to that development as well. But I do, in retrospect, put it within a wider framework of part of my own process of rethinking the agenda of concerns for the left and the need for the Marxist left to engage in a much more open and constructive way with some of the new intellectual and cultural trends, rather than just to be dismissive of them and to assume that we've sorted it all out and therefore we can just reiterate certain certainties from the past.

We don't have a ready set of answers, that's for sure.

Exactly. If we are going to really renew the left and renew a kind of critical Marxism, that capacity to re-engage our own certainties critically has got to be central.

In what we have discussed thus far, it is clear that your own politicization is linked with broader periods of militancy. There is a labour upsurge from the late 1960s, but also the student movement and other social movements, that fizzled out by the late 1970s. Clearly through the 1980s and into the 1990s, there is a demobilization of progressive political forces. But then we do have renewed signs of hope and mobilization, by the late 1990s, with the rise of so-called antiglobalization movement, from Chiapas through to Seattle and on to Quebec City. At the same time, there are the mass mobilizations, including the

various Days of Action across the province against the Mike Harris regime, and here in Toronto, the militancy of groups like the Ontario Coalition Against Poverty.

This upsurge of activism, this re-emergence of an anti-capitalist discourse, was reflected in your book, *Another World is Possible* (2000; second edition 2006). That book sought to explain the roots of globalization in the dynamics of a capitalist system that is organically linked with imperialist politics and racist and sexist policies that are not outside of, but integral to, capitalism. So we have the emergence of an exciting movement, a new mobilization. But ultimately, the antiglobalization movement was weakened by the events of 9/11 (with the attacks by Al-Qaeda on the United States World Trade Centre and Pentagon) and the climate that emerged afterwards. But also perhaps by the organizational challenges of the alterglobalization movement itself. What is significant about this upsurge in activism and what limits does it face?

That's great.

I'll try and do some justice to a really complicated question, in part because we are still living through all of that and so we're trying to do a kind of assessment on the fly. But there is no doubt in my mind that there was, across the neoliberal period, a massive series of defeats for the left and the working class movement that really shifted the political climate. And that's part of what my own rethinking across the '90s had to come to terms with. It wasn't just that there was a sort of temporary lull in the fortunes of the left and the working class movement. There had been real defeats imposed and left movements generally were in retreat. As a result, the emergence of what I prefer to call the global justice movement, as opposed to the so-called antiglobalization movement, was highly significant.

And I see its symbolic emergence, at least, as being crystallized by the Zapatista rebellion in January of 1994, (timed to coincide with and protest) the implementation of the North American Free Trade Agreement. And so you get, from the Zapatista rebellion on, the re-emergence of movements, of mass-based, anti-neoliberal resistance…But, something we'll come back to, *not* driven by the forces of the traditional left. There is something new happening here. But they're anti-neoliberal and they are creating the space, as you've noted, for anti-capitalist discourses and movements to develop. And so I was drawn to understanding those movements.

I saw in them the first significant rupture in the neoliberal consensus. The posing of the very idea that "another world is possible", for instance,

seemed to me to be a really dramatic advance over where we had been across most of the '80s and '90s. But as I say, these weren't movements that were being galvanized by traditional labour movements or parties of the left. There was something new at work here. So I wanted to learn from these and engage with them, but also to suggest that there were certain critical resources that Marxist theory and practice could offer to these movements to inform their analysis, their strategic perspectives and so on. And so *Another World is Possible* is a reflection of my attempt to really try to engage with and learn from those movements, to become more appreciative of some of, not all, the new currents of anarchism that were part of those movements, and to develop a kind of dialogue from a kind of anti-dogmatic Marxist perspective with them.

At the same time, as you note, the political moment after 9/11 was one where throughout the global north, at least, the global justice movement was just rolled back. The space for dissent was shut down in the midst of a sort of patriotic, national security fervour. And groups, for instance, that I was working with in Toronto, like the Ontario Coalition Against Poverty, fell on much more difficult times, in terms of the work that they were doing. I don't think it was the same pattern across a lot of the global south. For instance, if you take a case like Bolivia, from 2000 to 2005 you get the great wave of upsurges. So 9/11 doesn't really do much to dent it, for instance. And I would say the same for a number of other sites of struggle in the global south. But in the north, there is no question we were in retreat, again.

And to jump ahead a little bit, my analysis now is that a new period of mass protest has been opened up by the global economic crisis of 2008. But one of things that left is going to have to do is to assess what the weaknesses of the global justice movement were, because we don't want to repeat them. There is going to have to be also a very significant critical appraisal. Because we lost a lot of ground. And the loss of that ground after 9/11 does speak to some of the inherent limits. And I think a lot of that has to do with the fact that, by and large, the global justice movement wasn't able to build sustained and sustainable organizations in working class and oppressed communities that could continue to do on-the-ground activism even when some of the larger kind of mobilizations like Quebec city or Seattle were not going to be available for a period of time.

That brings us to the current economics crisis and your latest book, *Global Slump* (2010). In that book, you provide your own detailed analysis of the

crisis. Along the way, you analyze the general crisis tendencies of capitalism, the history of neoliberalism, the spatial reorganization of global capitalism in the neoliberal era. You go into great detail, but you try and pitch it at a level that will be accessible to activists. Why does an activist, who is not an academic, need to develop this understanding of the details of the crisis?

I think I would start by situating the book *Global Slump*, in that context, which is to say, in 2008 when the financial crisis hit, the Wall street banks start collapsing and so on. And there was a real opening up of the intellectual climate. People have talked about how all of sudden there was a rediscovery of Marx, for instance. And I found myself being invited to speak to community groups, trade union organizations, student groups and even in the mainstream media, much more than I had been before. All of a sudden a radical or leftist political economist was having his views solicited. So part of it was my own attempt to think about how to do popular non-academic presentations of basic Marxist ideas in popular education and mass media settings.

But the other side of it was that I had by 2008 developed an analysis that said this crisis was different from the recessions that had happened across the 80s and 90s. And this goes back to our earlier discussion about neoliberalism. I had become convinced by this point that rather than our being in a forty year long crisis of capitalism, which a lot of very eminent radical political economists have argued, that the crisis of the 1970s never went away…

…The 'long down-turn' thesis…

…the 'long down turn' thesis… Rather than that being the case, I was convinced that since the early 1980s, there had been a twenty year long expansionary wave, which I'm calling the neoliberal expansion, which really did restore corporate profitability, which massively restructured labour processes, which squeezed workers, very dramatically increased their level of exploitation, and also kickstarted a huge geographic expansion of capitalism, particularly in China and East Asia. As a result, when the crisis started to kick-in in 2008 I was, I think, already primed to see this as something different. If you have an analysis which says that we are in a forty year long downturn, then this is just the latest crisis of many. I was inclined to see it as something new, something quite unique, as signalling an end of a quarter century of expansion

and the opening up of a much more turbulent period. And as a result, I wanted to share that analysis, as well.

And I was suggesting in the talks I was doing in 2008 and 2009, once they finish bailing out the banks -- which they did to the tune of about twenty or twenty one trillion dollars -- they are going to have to pay for the bailout. And this is going to mean an intensification of neoliberal tactics: the age of austerity and the war on the public sector and public sector workers. But it's going to be neoliberalism on steroids, in that regard. But also without any of the ideological convictions that characterized the '80s and '90s where neoliberalism really did produce a massive economic expansion. You're going to have a very sluggish, even stagnant kind of period of capitalism, with a war against public services. And so the legitimacy of neoliberalism is going to be much more difficult to sustain.

And so I was suggesting that we're going to see a lot of fight backs. And so activists are going to have to navigate themselves in ways where we're thinking, not just about next week's demonstration and next month's rally, but, "What are we trying to accomplish across a decade or more?" And is it possible to imagine rebuilding much more substantial forces on an anti-capitalist left that both does the day to day work of resistance but also popularizes an analysis of why this is happening to our society and to our economy? And so in many ways, I was trying to write *Global Slump* as a resource for activists to help provide some of the foundation stones of an analysis of what I think is a different period in the history of capitalism and of neoliberalism, so that we think in larger terms and in more strategic terms.

The crisis of 2008 produced a crisis of confidence for neoliberalism. This is when you have the return of Keynes and maybe even of Marx -- or Marxists such as yourself. But, after that initial, understandable panic from the "rulers of the universe", they have switched to the strategy of denial. We're told that we are coming out of the crisis. We are told this in Canada: 'Through steady management, we're emerging from the crisis'. Has neoliberalism managed to re-establish its dominance and how successful has it been in reasserting itself? We're told the solution to the crisis is further cuts, as you've just described. Is that merely a reflection of the weakness of movements in the global north -- and has that space that opened up for anti-capitalist movements closed up that quickly on us again?

Yeah, you're right about the severity of that crisis of confidence in 2008 -2009. I was struck at the time, that you have the editors of the *Financial Times* of

London making the statement, "The world of the last three decades is gone." And then running a column for a number of weeks called, "The Future of Capitalism" where they're basically saying, "Capitalism as we've known it is gone. What's the next phase?" This stage is clearly gone, what's going to replace the neoliberal capitalism that we've known? And I think that this registered something real, which is to say, along the lines of what I was arguing earlier, that the neoliberal expansion is over. That doesn't mean, however, that neoliberal methods are done. And that makes it a very complex period.

But I also think that the ruling class is always uncomfortable about opening up questions about the future of its system. And they felt compelled to, with banks collapsing around the world. They didn't know what it would take to bail out the banks and to stabilize the financial system. And if you watch what they did across 2008- 2009, it was just one injection into the banking system followed by another, each one more massive than the one before, until they stopped the bank collapses. But it's not true that they had a fully designed programme. They were in panic mode and they just kept throwing funds, throwing wealth into the system, hoping that it would stop the bleeding. And twenty one trillion dollars, which is about one and half times everything the US economy produces in a year, did eventually stop the banking collapse.

But the difficulty is, that once they've done that, they have to pay off their creditors. Because the central banks raise money by selling their own bonds and they sell them to financial investors. Now you've got the problem that those investors are looking at the governments and the amount of debt they took on to bail out the banking system and more or less doing a risk assessment, trying to figure out who is good for paying back their debts and who might not be. And part of their calculation is not purely economic. Part of that calculation is which governments can impose the hardship on their populations and get away with it. So when they get cold feet about Greece, it's not just the size of Greek debt relative to gross domestic product. It's also the strength of Greek trade unions, the strength of the left within the society, the capacity to mobilize. It's all those calculations that they are making.

But what that tells us then, is that they know that this austerity regime is not a quick fix. They are talking about years and years. I mean the International Monetary Fund initially said a decade. Now that's shifted to decades, and I think that's right: we're looking at a long-term process. And that's where neoliberal methods are run amuck right now. They're going to try

and do what they do across the '70s and 80s, which is privatize, cut back services, lay off large numbers of public employees, and as we've seen, particularly in the US, take away their collective bargaining right or massively curtail them and so on. But because I don't believe they can produce any return -- or any quick return -- to robust, sustained economic growth, it's going to be, as I say, a period where they can't deliver on the basic promise of neoliberalism from the '70s and '80s, which is that, "Restoring markets, restores growth." That was the ideology. That's not going to happen.

I think we are seeing as a result, big bursts of protest, which on the one hand, create opportunities to rebuild mass-based social protests and resistance. Greece has had eight general strikes, now. There were over a million people in the streets of France in the fall. We've seen utterly unprecedented labour upsurge in Wisconsin. But none of those are capable of actually stopping the neoliberal agenda. And so I think we're into a difficult, dangerous, challenging period where we are going to see lots of resistance, that's a taken for granted. Across a lot of the neoliberal period it was like, "Show me some resistance, please!" Now the resistance is here and it's back in a repeated way. And obviously that's been most dramatically so in North Africa and the Middle East. And I think its really important not to lose sight of the fact that the return of the global economic crisis also kick-started much of the labour protests in the country of Tunisia, for instance, which then surged to the forefront in December of last year and through January. And all of this is connected to the global crisis and the ways the global crisis is driving up food prices, for instance.

But the scale of what our rulers are dealing with is so big that one-day general strikes won't do it. And so, I think we are into a much more complicated period where the left wing has to think much more long term. If we are only thinking about how to build next week's rally, rather than, "How are we going to rebuild at the grassroots level of neighbourhoods, communities, workplaces and schools, real organizations and movements?", if we are not thinking about the next decade in those terms, than I worry that we will not be able to produce the scale of resistance that is necessary.

And so part of what I'm trying to do in *Global Slump* is to say to people, what we're dealing with has systematic causes. We will need to think systemically, or if you will anti-systemically. And this is going to require that we get beyond just thinking about our short- term projects of resistance and start to think in longer-term horizons. Otherwise, the juggernaut of neoliberal austerity is just going to keep cutting through us.

Related to the issue of building resistance, a few year ago, in the post 9/11 context but before the current resurgence of activism related to the crisis, you wrote a very sober analysis in *New Socialist* magazine (McNally 2008) that pointed out that, "the revolutionary socialist left is today more marginal, more disconnected from the day to day experiences of working class people than at any time in the last one hundred and fifty years." A fairly harsh assessment -- not that I'm disputing it!

Looking forward, you then ask, "How do we rebuild?" You then say that the major task for revolutionary socialists is, "the development of an imaginative socialist vision that captures some of the tendencies of the future and crystallizes them theoretically and practically for the next wave of political radicalization". And this is what you just mentioned, the need to build a long-term movement and also vision.

But in the previous period, we failed to do this long-term building on the radical left, especially in the global north. And so what we are dealing with is our previous failures on the left to create a movement with a long term vision and strategy. And this raises concrete, practical questions about organizing on the left, in a period of economic crisis and renewed resistance.

Now, in addition to your participation in revolutionary socialist organizations, you were involved in the "Re-building the Left" efforts, that started around 2000, trying to create what Sam Gindin was calling, "a structured movement against capitalism" (Gindin 2001). At present, you are involved in the Greater Toronto Workers Assembly. How does your own activist experience influence your own ideas about how the left should organize, especially given prior failures to organize over the longer term? And specifically, what are some of the main possibilities and challenges represented by the Greater Toronto Workers Assembly?

Let me start with the larger challenge and then come to the more specific, local ones. The conundrum as I would pose it, is this: I continue to believe there are intellectual, political historical resources within a critical Marxism that are indispensable to building an effective left. I think there's an analysis of capitalism as a system, of the historical problems and challenges of the working class within capitalism as a system, and a legacy of organizational experience, if you will, a kind of practical knowledge, that any kind of new anti-capitalist left is going to need. But at the same time, as you note, I am very conscious of how marginal Marxist politics are or Marxist groupings are, in terms of the everyday life experience of working class people. And so part of

the problem I'm trying to raise is to pose things in those terms to socialists on the left and to say: "We've got to think about why we've become detached".

Now, for a whole historical period, most of the problem was that the ideas of working class self emancipation are not going to get very far when workers are being beaten back, day in and day out, losing ground, getting fragmented and demoralized, and left projects generally being in retreat. Those are just huge social, historical circumstances that we can't overcome. But now we need to think about how we make sure that that legacy of disconnection doesn't become an obstacle to re-connecting and renewing radical socialist politics in a period in which arguably they can become meaningful again and they could really contribute to rebuilding movements of the left. So that's the challenge I want to lay out.

I think one of things that you've probably picked up on across our conversation is that one aspect of that challenge is generational. That is to say, there was a generation like myself in the 1970s for whom as we radicalized, socialism and Marxism just become the obvious point of reference. And then there's a younger generation of radicals today for whom that's very often not the case. Quite often, they are being influenced, in terms of their reading, by people like Noam Chomsky, who identifies himself with very admirable anarchist traditions or Naomi Klein, who definitely situates herself as a critic of the left, but not a Marxist critic, and so on. And this is where they're picking up ideas. And then a lot of the practices have been developed particularly in North America and parts of Europe within certain new, anarchist traditions. And then you've got those working class people coming into activism, let's say in a place like Wisconsin, who just have never had any connection with the left.

And I think the marginality of the radical left over a whole historical period can pose huge problems. Either we can think, "Oh, it's our time again," and bring out all of the points of reference of an older generation and imagine that those are relevant to today's struggles instantly– and I don't think they are. Or we can simply charge in and try to be really good activists on the ground and hope that somehow, spontaneously people move towards radical socialist conclusions. And I just don't think it's that simple either. And what I see as the other alternative, is to really get into the more difficult long-term work of trying to re-activate and revitalize some key inheritances of the radical socialist movement in ways that can seem organically meaningful to the kinds of struggles that we find ourselves in today.

I'll just give one example, in passing. In my own writing on developments in North Africa and particularly Egypt and Tunisia but also in conversation with activists in Wisconsin, I have found Rosa Luxemburg's classic pamphlet, "The Mass Strike" to all of a sudden speak, in really lively ways, to movements which are dealing with actual mass strikes on the ground. And I think there are things that Luxemburg draws on in the early twentieth century that slightly more than a hundred years later can actually be reactivated as living resources for the movement. But we have to do that creatively.

And we also have to come to terms with the fact that the working class today is not the working class that I encountered in the 1970s. The working class in a city like Toronto is dramatically different. The majority of workers are people of colour in this city. As a result, anti-racist analysis and anti-racist practices will just have to be utterly central to any renewed working class politics and activism in this period. And so I guess what I am saying is that I am acutely aware that this new period creates openings for a kind of a radical or revolutionary socialism to maybe become less marginal than it was across the whole neoliberal period.

I've lived through periods where socialists actually *did* have a real presence in unions, *did* sometimes lead important working class movements, and so on. So, I've seen that and I know it's possible. But I also recognize that the context is very changed. The very make-up of the working class is changed today. But I think we can find resources both historically and in the here and now that we can mobilize for those purposes. But I think the challenges are really huge for the left. And so I find myself in the position of saying that we do have important resources, but if we just think we've got timeless truths, we're screwed.

We've got to figure out how we can bring those resources into a living conversation with activists on an ongoing basis, so that something new, a new kind of radical synthesis emerges in which other traditions…Some of the best practices of some of the young anarchists have to be part of what the next left will look like. But also some of the new working class traditions of organizing, whether it's workers' centres, worker of colour organizations and so on, will also have to be part of that. But I continue to believe that radical left Marxist politics are indispensable as well, one of the elements.

And do you want to talk specifically about the Workers Assembly in all of that?

The Workers Assembly, if I can put it in these terms, is the right project. And it's the right project in the sense that it's posed the need to create a broad-based anti-capitalist working class movement in this city. That it recognizes that the movement will be multi-racial. The opening statement of principles of the Workers' Assembly talks about building a multi-racial anti-capitalist working class project. And I think that's the right project. I think that once you've set it, a lot of difficult work has to begin.

And for all us there is as much un-learning as learning that has to be part of it. We're talking about having to create really healthy, non-sectarian, democratic and inclusive practices for the left that challenge our own social location. In other words, you know, if you go to Workers Assemble events, we're still too old, too white and too male. And that's not to criticize anyone who is old, white and male. Good lord, I'm getting there! (laughs). But it's to recognize that that poses really significant challenges to the way we operate, the assumptions we make about who needs to be in the room, who we need to bring together before something like the Workers Assembly is a *meaningful* movement. And I think it raises the generational challenges of being able to listen respectfully and to learn from the younger activists, who are in a city like this doing anti-poverty organizing, migrant justice work, mobilizing against Israeli apartheid and so on…and who need to be part of all of that.

So, yeah, I think the project of building a multi-racial anti-capitalist working class movement in this city is absolutely the correct one. And I think the next year or so will tell us whether the activists who have come together in the Workers Assembly are really ready and able to rise to the challenge.

Related to that but more directly, what is the relationship between your activism through the Ontario Coalition Against Poverty, Workers Assembly, No One is Illegal, and the Coalition Against Israeli Apartheid, among other activities, and your intellectual or academic activities? How does your activism inform your academic work and vice-versa? And more generally, what is the role of the intellectual or academic in social and political struggle?

You know, I'm in a funny position on some of this. And one of the reasons is because my biography is such that I was an activist before I was an academic. I became an activist as a high school student. And in some ways, I've always thought of myself as an activist first. And that doesn't mean that I'm not very aware of all of the very unique and privileged circumstances that being an academic entails. But just in terms of my own thinking, the activism has always been front and centre and really definitional in terms of who I am and the

projects I want to engage with. And I think what that meant is that, for better or for worse, my intellectual work has always been informed by thinking about what the challenges for an anti-capitalist left are. I mean, even to take something which is, in many respects, a very theoretical work, *Bodies of Meaning*, you can see from our conversation it's still informed by my encounters with activists in anti-war organizing and my thinking about where they're at and the problems which were provoking them. And I think it will always be the case for me that in many respects my intellectual agenda is shaped by my involvement in social movements and left activism.

Having said that, when you're located as I am, being an academic as well as an activist, it also produces its unique challenges. Activists are quite used to academics who think they know in advance what the activists ought to be doing, what the social movements ought to do and therefore want to come and tell them what to do. And that is deeply frustrating for a lot of activists. Also, I think academics often assume that activists don't care about analysis and that's just never been my experience. That's not to say that activist settings always find the time and space to do the analysis that many of them will tell you they need. I think a lot of activists will honestly say, "We don't do enough analysis. We need more opportunity to do it and to develop popular education programmes," and so on.

But I'm also very conscious as somebody located in the academy, that when I'm engaged with fellow activists, they come with certain preconceptions of what an academic is, as well. And I think it is important, therefore, as an activist-academic to make it really clear how genuine one's commitment is to learning from the activists you work with. Because they are amazing repositories of huge amounts of practical and theoretical knowledge. They often don't get the chance to develop it in a very systematic way. And so, one of the things I actually find is that, very often, my work, my written work, often gives some expressions to some of that practical knowledge that I've been picking up in the activist settings in which I move.

And so while I recognize that there's a tension between these roles, I have to say that I want it to be a productive tension. That is to say, I hope that some of the theoretical work I do feeds back into my activism and I certainly hope that what I am learning as an activist is also informing how I'm theorizing that whole business of the production of knowledge.

And I think that one of things that you can see is that my life experience, my intellectual trajectory is one where there are shifts. And that some of those shifts come through the activist experience. I just was simply

forced to re-engage with feminism and anti-racism, in particular, across the '90s and 2000s, in really, for me, profoundly important ways. Anti-racism goes back very, very early for me. My first year as an undergrad, forming the Committee to Free Angela Davis, for instance. But I would also say that I've had to deepen and renew and develop analyses in those areas.

I think one of the things we want to do, as we build a real rooted left in the years ahead, is to create the spaces for the development of the two kinds of organic intellectuals that Gramsci talks about. Some people forget that Gramsci does talk about it in two ways, which is to say, the activists from the real movements of the day, the real resistance movements, who become theorists of and for the movement. That is to say, we create the spaces where their political self-education becomes an ongoing priority. But also, where traditional intellectuals as Gramsci describes them, really move their centre of gravity from the traditional institutions of the intellectuals to the movements as the centre. And Gramsci, of course, himself was one of those intellectuals who had a university education and became an integral and enduring part of the working class left.

That, of course, requires that we create a left where that's actually possible. And at the moment the academy and activist work tend, too often, to be miles and miles apart. But, if we can create a new radical anti-capitalist left, then the development of new organic intellectuals has to be part of that project.

That can almost be our conclusion! But one more question about your forthcoming book. Another one in the pipe, it's obviously been a productive sabbatical.

Actually, pre-sabbatical! I did just print the galleys, so, yes, a productive sabbatical, too.

Your forthcoming book, *Monsters of the Market* (2011) seems -- from what I've seen because it's not even out yet -- to mark a return to the questions of the body. It delves into cultural theory, tackles Mary Shelley, Shakespeare, along with Marx. Tell us a bit about that project and how you ended up writing about monsters, vampires and zombies. Are trying to get the orthodox Marxists mad at you again? Should we expect any discussion of *Buffy the Vampire Slayer* or the *Twilight* (television) series?

Alas, some of my friends are disappointed that there is no *Buffy the Vampire Slayer* in the book. But it's an interesting convergence of a variety of interests. It's partly, as you say, a return to the body. Partly it's an attempt to extend the engagement with culture that I think Marxists need to be serious about. And in other ways it comes out of my own political economy and social movement work. The book represents a coming together of certain kinds of observations that I had. I was really struck in doing all of my political economy around globalization, by the fact that there has been in sub-Saharan Africa, the area most ravaged by neoliberalism, this spate of zombie and vampire tales. They're found in film, folklore, all kinds of video, pulp fiction and so on, but they're everywhere.

And of course lots of mainstream social scientists just see them as superstitious. I was struck, though, in getting more acquainted with some of them, by the centrality of the figure of the zombie-labourer. One story after another is about people being kidnapped or taken in their sleep, to work all night and then waking up exhausted in the mornings and going to their regular day jobs. In other words, I was really struck by the way that labour figures centrally. And labour where your body has been captured by alien forces and coerced. And it was pretty hard not to see the connection of those kinds of images and metaphors to the actual circuits of global capitalism today.

Then, I've been teaching Marx's *Capital* in recent years. And there are key parts of that text where Marx turns to monster metaphors, in particular, the vampire but not only the vampire. And I began to think about those as not just literary embellishments but as attempts by Marx to express something that the language of political economy doesn't really provide very good vehicles for expressing. Which is to try to get at the actual texture of experience in a capitalist society, where your life energies are actually being sucked dry, over and over again. And I think Marx struggles to convey that, in *Capital*. That when he is giving us technical formulas for the rate of exploitation and the rate of profit, he doesn't want us to lose sight of the fact that actual human bodies are being exploited. They're suffering, they're feeling pain, they're being exhausted, they're being worn out. And there are whole chapters on the working day and modern industry where Marx just, in immense detail, goes through this.

And so those kinds of considerations then dovetailed with some of my earliest work which is on the emergence of capitalism in England. And as I thought about that in terms of the problems of monstrosity, I was really struck by the way in which the British working class, particularly in London, regularly

engaged in battles for working class bodies. And there are a few historians who've really written about this, although I don't know if they've always appreciated what is at stake. But we all know, if you read that history, as I did, that when hangings would take place condemned criminals' bodies were up for grabs. They could be given over to the anatomists to be dissected. This was part of the punishment in death. And quite often, the crowd that gathered at the gallows would enter into these huge battles, which would sometimes go on for hours, to get the bodies and give them a decent burial and prevent them being dissected, and carved up and chopped up by the anatomists. And they also hated the grave-robbers who would go to the paupers' graves, who would steal and then sell the corpses of the poor. And I started to think, "Why was this a site of such immense contestation?" And I began then to think about the ways in which, in fact, they were fighting after death about the indignities performed in life on working class bodies.

And then I realized that this is an ongoing theme that most of us had missed in Mary Shelley's *Frankenstein*. Victor Frankenstein is a grave-robber and Shelley tells us this. And he then cobbles together this gigantic creature with human and animal body parts. And of course, some commentators have noticed that there are ways in which the creature is a metaphor for the proletariat. And so I began to work all of that into the analysis.

But what this did, is that it created ways of thinking about the experience of capitalism and how groups of people experienced this as a horrifying and monstrous kind of development, particularly during periods where labour is being rapidly commodified, as in parts of sub-Saharan Africa today or as in 18th century England. The idea that you sell your energies to somebody, that they claim your body and have control over it for the period of that working day. And I think, too often, we don't appreciate how traumatic that experience is and how much the popular imaginary within capitalist societies reproduces stories about that experience.

And then I began to think about zombie and vampire stories much more in those terms. And I was really asking myself, "Why are the zombie and the vampire the two main monsters of capitalist society?" They are the ones who proliferate everywhere and what is the significance of that? So I am trying to develop a kind of Marxist account of monstrosity within capitalism. But also the story ends on the prospects for, if you will, the hopeful monster, which is ultimately Mary Shelley's creature, which is to say, the proletariat as a motley conglomeration of living, embodied humans that might actually have the final

say. So that's kind of the hopeful, concluding note of what is, I hope, a kind of interesting analysis of some of the cultural forms of capitalism today.

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SPECIAL ISSUE ON ORGANIZING FOR AUSTERITY: THE NEOLIBERAL STATE, REGULATING LABOUR AND WORKING CLASS RESISTANCE

Introduction: Organizing for Austerity

The Neoliberal State, Regulating Labour, and Working Class Resistance[1]

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This special issue of *Socialist Studies/Etudes Socialistes,* describing and analyzing austerity politics and working class resistance, is timely and relevant. The eleven articles presented here broaden our understanding of austerity as a strategic instrument in processes of neoliberalization, alongside other forms of coercive intervention. The current episode of "new" austerity ensures that the observations, analyses and lessons expressed here are of particular and immediate value. However, as several contributions demonstrate, the austerity politics now being aggressively pursued in Canada, the United States, and the European Union have their origins in the historical ascent of neoliberalism in the 1980s and 1990s. The rapidity of the current turn from rescue to exit strategies, as governments cease countercyclical spending policies that were employed in the early years of the worldwide economic crisis that began in 2007, and the commensurate shifting of blame and cost to the public sector, and public sector workers in particular, has been nothing less than astonishing.

Appropriately, this issue is introduced by McBride and Whiteside, who ask the fundamental question: austerity for whom? They empirically unpack the effect of protracted economic austerity on expanding inequality in Canada. The failures of both the labour market to generate quality employment and of neoliberal state policies that reinforce this reality are exposed for what they are: a deliberate assault on working class living standards.

Broad's contribution follows with a searing critique of the "productivity mantra" that has once again become a common feature in the pages of the business press and media. The historical scope of Broad's analysis situates the contemporary "productivity trap" discourse as an integral and core component of the neoliberal project. Both public and private sector workers are to accept concessions in the workplace, in

[1] We are grateful for the advice and editorial support offered by Dr. Elaine Coburn.

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incomes, and with respect to the social wage, as the only means to mitigate and reverse falling productivity. Hence, the ideological and political value of the productivity discourse. But Broad asks: why is there an incessant demand to increase productivity when the evidence says we produce and consume more than is socially and environmentally sustainable? This is the insanity of capitalism.

The recent Great Recession has transformed what began as a crisis in the United States' subprime financial market into a crisis of the public sector. Public sector workers now find themselves characterized as greedy, overpaid gravy train riders. The publicly borne costs of saving capitalism from itself are now to be repaid at the expense of the jobs of public sector workers and the services they provide to the society and economy. Camfield's essay offers a tour de force review and analysis of strategies of resistance employed by Canadian public sector unions. He critiques unions' current political and mobilization practices, leading to the conclusion that a broad-based turn to a more militant and activist social unionism will be capable of resisting austerity.

We then turn to Ontario with three articles covering different time periods and with somewhat different empirical emphasis, although each stress the continuities of neoliberal policies today with those in the recent past. The first is Kellogg's historical analysis of the Days of Action movement that began in 1995 and ended in 1998. In this earlier era of austerity, eleven mass strikes and enormous demonstrations swept through the major cities of the province. Kellogg not only provides us with an understanding of the political and social climate that preceded the current era of austerity in Ontario, he also details the innovations and obstacles of social movement and trade union organizers in this earlier period – with clear implications for austerity struggles today.

Two additional contributions examine more recent events in Ontario, where the McGuinty Liberals have been adept at presenting a pragmatic, centrist, and, where necessary, a moderately progressive face. Yet, both Fanelli and Thomas, as well as Evans, understand this government as simply a more rational and perhaps more cynical attempt to embed neoliberalism into the Ontario state, compared with previous efforts. Fanelli and Thomas explore this 'norming' process and argue that the Third Way-ish Liberals are an expression of neoliberal continuity in the province, stretching back to the Bob Rae-led New Democratic Party government of 1990 to 1995 and continuing through to the Harris Conservative governments of 1995 to 2002. The Liberals' moderate-progressive rhetoric masks the reactionary content of the Liberal

programme, known as the 'Open Ontario Plan'. Far from being a middle of the road, socially-conscious programme, the Open Ontario Plan shares core features with the Harris' government's aggressively neoliberal 'Common Sense Revolution'.

Continuing with the Ontario focus, Evans analyses the McGuinty government's high profile attempt to negotiate a two-year wage freeze with 750 000 unionized public sector workers. Some see this as a second Social Contract, in reference to Premier Bob Rae's successful imposition of public sector wage restraint some seventeen years earlier. Evans rejects this comparison and instead contends that McGuinty's efforts represent a strategic attempt to create the political space for more aggressive interventions in the future. The inability of the Ontario public sector unions to unite in a common front to oppose McGuinty's neoliberal politics is of particular cause for concern, given the likelihood of strong austerity measures in the aftermath of the 2011 federal elections and the consolidation, at the federal level, of a Conservative majority determined to implement a right-wing populist programme nation-wide.

Moving west from Ontario, Enoch unpacks the right-wing populism expressed through the "New Saskatchewan" discourse of the Saskatchewan Party's conservative provincial government, elected in 2007 under Premier Brad Wall. Saskatchewan is an interesting case, since a conservative government has had to creatively deconstruct the historic legacy of decades of social democratic government, governments that had put in place an economic development model that relied significantly on the leadership of the provincial state. The "New Saskatchewan" discourse characterizes the years of CCF-NDP government as backward and outmoded, constrasting with the new, future-oriented image of the "New Saskatchewan". In this way, the Saskatchewan Party presents markets and market logic as the modern, dynamic counter-point to the 'old' regime of crown corporations benefiting bureaucratic elites.

While Saskatchewan is a contemporary example of right-wing populism in Canada's West, Richmond and Shields take a retrospective turn with an examination of Canada's first extensive neoliberal "revolution" launched by British Columbia's Socred government in 1983. The authors review the extra-parliamentary resistance that emerged under the banner of Solidarity, a coalition of trade unions and community-based social movements. In particular, they dissect the schisms that opened up between these two wings of the opposition. The difficult lessons learned from this experience are of enduring value, as heterogeneous, popular

forces continue to mobilize to resist the massive efforts by the state and capital to rollback working class gains.

The next two articles provide an international dimension to this special issue by delving into the experiences of resistance in Mexico and in Argentina. Roman and Arregui's argue that the hegemony of Mexico's arriviste market-based bourgeoisie is fragile. The political impasse in Mexico, they explain, is founded upon the inability of this essentially neoliberal economic elite to consolidate their victory over the old party-state elites who have dominated political and economic life since the 1920s. At the same time, the capacity of the Mexican working class to resist neoliberalization is at a historic low. This is not to say that the country's popular revolutionary traditions, traditions that run deep, cannot be revived. On the contrary, the authors' note that the ongoing state repression of independent trade unions, Indigenous peoples and the peasantry are likely to stimulate such a revival.

With respect to Argentina, Felder and Patroni document and assess the important struggles that took place in that country through the 1990s and into the first decade of the 21st century. They trace Argentina's sharp turn to austerity and neoliberal policies to the crisis of the late 1980s when the political leadership prescribed a program of deregulation, privatization and the liberalization of trade and financial markets as the solution to the economic ills befalling the country. The result of this "shock doctrine" was a significant economic and social dislocation of the working and middle classes. Initially the Peronist unions, whose government was pursuing this agenda, fell in line and scarcely offered token opposition, but soon they found their trade union confederation split as public sector unions mobilized to resist these measures and make common cause with other forces in civil society.

The issue is aptly concluded with Hussey and LeClerc's original analysis of the G20 protests that took place in Toronto in late June 2010. Their contribution shrinks both historic time and geographic space into a specific case. The unprecedented and excessive repression experienced on Toronto's downtown streets that weekend was and remains shocking. The dramatic and inflated deployment of the state's coercive resources is ample demonstration of the limits to dissent that will be imposed even where the threat to security is of minimal -- and manufactured -- scope. Hussey and LeClerc do a service in drawing together the observations and experiences of those who were there. Moreover, their analysis of the Black Bloc and the police response to these tactics is both original and clarifying.

In sum, this special issue offers several historical and contemporary examples of neoliberal political and economic policies and discourses, as well as potential strategies and avenues for organizing dissent. The contributors to this volume present important, and perhaps contentious analyses of resistance to austerity. The strategies of working class resistance discussed in this special issue vary by time and place and have been met with uneven outcomes. Yet, there are immediate lessons here that we hope will inform ongoing struggles.

Socialist Studies / Études socialistes 7(1/2) Spring/Fall 2011: 42-64

SPECIAL ISSUE ON ORGANIZING FOR AUSTERITY: THE NEOLIBERAL STATE, REGULATING LABOUR AND WORKING CLASS RESISTANCE

Austerity for Whom?

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Abstract

In contrast to the recent multi-billion dollar bailouts offered to leading sectors of capital, fiscal austerity is poised to make a comeback worldwide. Labour will be forced to pay for the public debt accumulated in the aftermath of the recent global financial and economic crisis. Notwithstanding change and evolution in the neoliberal model over time, this return to austerity is consistent with overall policy in the neoliberal period which can be considered an era of permanent restraint in most areas of social spending. This article examines a variety of trends that have emerged over the past thirty years of neoliberal rule: the various facets of neoliberal policy and their temporal dimensions; as well as the results of market-reliance and spending reforms: growing affluence for a minority of Canadians while the majority lose ground and inequalities are further entrenched. Asking 'austerity for whom' directs attention at the interconnections between affluence and austerity that exist in Canada.

Résumé

Contrairement aux récents plans de sauvetage impliquant des milliards de dollars offerts aux principaux secteurs de l'économie, l'austérité budgétaire s'apprête à faire un retour à l'échelle planétaire. Les travailleurs n'auront d'autre choix que de rembourser la dette publique engendrée à la suite de la récente crise économique et financière mondiale. Malgré le changement et l'évolution dans le modèle néo-libéral au fil du temps, ce retour à l'austérité concorde avec la politique globale de la période néolibérale pouvant être considérée comme une époque de restrictions permanentes touchant la plupart des domaines de dépenses sociales. Cet article examine une série de tendances ayant émergé au cours des trente dernières années du pouvoir néo-libéral: les différents aspects de la politique néolibérale et leurs dimensions temporelles, ainsi que les résultats du recours au marché financier et de la réforme du contrôle de la dépense: forte croissance d'une minorité de Canadiens alors que la majorité perd du terrain enracinant davantage les inégalités. La question « l'austérité pour qui? » dirige l'attention vers l'interconnexion entre l'affluence et l'austérité qui existent au Canada.

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Austerity, meaning "the quality or state of being austere" and "enforced or extreme economy," was named by the Merriam Webster dictionary as its Word of the Year for 2010.[1] In the aftermath[2] of the deep financial and economic crisis that began in 2007, most governments and international organizations started to emphasise that the bailouts and financial stimulus that they had enacted as a response to the prospect of financial and economic meltdown would now have to be paid for. In practice, under the neo-liberal paradigm that for policy-making elites has retained its dominant position, austerity means an economic and social policy based on "deficit cutting, slashed spending and the mysterious evaporation of benefits" (Elmhirst 2010). Unsurprisingly, austerity is also on the minds of the web-browsing public.

However, a casual survey of press coverage of spending cuts and the continuation of rewards to financial operatives, through bankers' bonus payments for example,[3] leads to the conclusion that austerity can hardly be the only defining characteristic of our age. At the very least, we need to ask: "Austerity for Whom?" – a question that carries with it the connotation that if it is austerity for some, it will be affluence for others (see McBride and Whiteside 2011). Nevertheless, though the word itself has achieved greater prominence as a result of the 2007 crisis, there is a sense in which austerity for some has been a permanent feature of the neoliberal era. Still, neoliberalism has undergone changes and moved through a number of stages since it began to dominate political discourse. One aim of this article is to chart elements of continuity whilst also being sensitive to new developments and discontinuities in the long period of neoliberal hegemony.

[1] For one of many articles reporting this event see Contreras (2010).
[2] "Aftermath" is used conditionally -- opinions differ on whether that crisis is truly over.
[3] To give just one example, in the UK it was revealed in February 2011 that bankers' bonuses for 2010 would likely total £6 billion (BBC 2011); a few months earlier, in October, the Chancellor, George Osborne, had identified £7bn in extra welfare cuts, including changes to incapacity, housing benefit and tax credits, amongst broader public sector reductions totaling £81 billion (BBC 2010).

The rise of neoliberalism in the 1970s was accompanied by various claims that led to the conclusion that the state, especially in its role as guarantor of full-employment and adequate social provision, should be reduced in size and the beneficiaries of these activities be made more reliant on their success in a less regulated market. The 1970s "stagflation" crisis was frequently framed in terms of "wage-push" inflation, a formula suggesting that labour had become too powerful and that its wage demands were destabilizing the system through creating inflationary pressures.

Considered either as an accumulation strategy or as a policy paradigm, neoliberalism's objectives were drastic. Its primary objective was not to contain labour, but to roll back the gains it had made in the post-war period. This could occur directly through confrontations at the bargaining table, in a context where tight monetary policy to fight inflation had disciplined labour through increasing unemployment. Or, it could occur indirectly through diminishing the state's provision of the "social wage" provided through various social programs. In this early period, "restraint" or, sometimes "retrenchment" was the preferred descriptor for policies that fit the definition of austerity. Playing with a common definition of politics as "who get what, when, where, how?", the politics of restraint was once described as " who gets none or who gets less of what, when and how?" (Maslove, Prince and Doern 1986, 205).

Born in the battle against inflation, neoliberalism proved inventive in attaching itself to new justifications as time proceeded. As inflation declined, the fight against it ceded priority to the size of government budget deficits as a rationale for neoliberal policies. Essentially the project of reducing public deficits/debt and inflation control served a similar policy agenda. Thus, although neoliberalism has proved flexible and opportunistic in supplying arguments, and in effecting some changes in its policy package, we argue that it has been quite principled and unwavering in its objectives and instruments, chief among them are the agenda of reducing and transforming the role of the state and redistributing income, wealth and power from labour to capital.

Neoliberalism in Canada

Over the past few decades the neoliberal policy paradigm has emphasized budgetary austerity, implementation of regressive taxation, tax cuts for corporations, de-/re-regulation in a wide range of areas previously subject to regulation, privatization in various forms ranging from sale of assets to the implementation of public-private partnerships, public sector reform

through adopting market-like processes such as New Public Management, and liberalization of the economy, in part through the adoption of free trade agreements. Virtually every substantive policy area – from industrial relations and employment standards, social welfare policy, employment insurance, education, through to monetary policy and foreign policy reveals some impact.

Jamie Peck and Adam Tickell (2002) have provided a useful for framework for analysing the various stages of neoliberalism, though these should be considered heuristically, rather than as chronological. In its first stage, neoliberalism began as an intellectual project, as a critique of the post-war Keynesian orthodoxy. Secondly, in response to global stagflation it evolved into a political program in the hands of right wing politicians such as the Ronald Reagan, Margaret Thatcher, and Brian Mulroney. This phase, Peck and Tickell describe as 'roll-back' neoliberalization. The term refers to the process of tearing down the old Keynesian policy system through the introduction of monetarism, budget and social spending cuts, regressive taxation, privatization, and deregulation which all became reigning policies of the day.

Though the stages should not be understood as being strictly chronological rolling back the Keynesian legacy did preoccupy the first decade, at least, of neoliberal governments in office. The focus was largely on modifying the policies and programs that had defined Keynesianism. This process was highly contested and even if defenders lacked a sustainable alternative vision of how to manage the post-Keynesian political economy, they could be tenacious in the defence of the benefits it had brought. Thus, success was not guaranteed, and neoliberal governments for the most part proceeded gradually in their practice, even if their rhetoric at times suggested otherwise. Common techniques included transforming universal into selective programs, tightening eligibility requirements to qualify for some benefits like unemployment insurance, imposing ceilings on program costs—or, alternatively, making them self-financing or subject to "clawbacks" over a certain benefit level (Houle 1990). Stephen Phillips (2000, 5–6) noted that in 1979 universal programs paid out 43 percent of income security benefits and, by 1993, zero percent. Thus, the ways neoliberal reform got implemented varied over time and between policy areas, depending on who had jurisdiction in federal systems (Banting 2005) and also on how much popular support programs enjoyed. Moreover, implementing the neoliberal paradigm has proven crisis prone (McBride and Whiteside 2011, Chapter 5), and responding to these crises has necessitated policy learning and adjustment.

There is also comparative evidence (see Hacker 2004) that during this period considerable incremental change was happening that altered the landscape of social policy in the direction of stringency and austerity even prior to the more rapid changes that, in Canada, resulted from the 1995 federal budget. Certainly, the picture of relentless incremental change applies to some policy areas in Canada such as unemployment, since renamed employment insurance (see McBride 1992 Chapter 6; Campeau 2005), and industrial relations (see Panitch and Swartz 2008; Fudge 2005). This agenda went hand-in-hand with the drive for flexibility for employers, a process in which, as Guy Standing (1999, 81) famously noted, "fear changed sides".

Though political and economic elites had no use for an active state, save in strictly delimited areas that promoted the neoliberal agenda, polling evidence through the mid-1990s continued to show public preference for such a state with job creation and protection of social programs central to its mandate (see McBride and Shields 1997, 78-9). In this context, public and social movement opposition to the neoliberal agenda was not ineffective. In the late 1980s there were signs that the institutions of the Keynesian welfare state were proving resilient (Banting 1987; Mishra 1990). These findings were consistent with comparative evidence on welfare state resilience (see Beland and de Chantal 2004; Pierson 1994; Torfing 2001) and varieties of capitalism (Hall and Soskice 2002). The precise impact of the Mulroney government on existing programs remained a matter of debate in the 1980s and early 1990s. The prevailing view in Canada was that change was incremental and consisted of erosion rather than outright dismantling (Banting 1987, 213); the accumulation of incremental change was, however, setting the scene for more radical departures and in Canada the deep recession of the early 1990s and ensuing budget deficits provided the occasion.

Similarly, the escape from the 'national' to the 'global' really only took hold in the mid-1990s, some twenty years after the dominance of neoliberalism began to be asserted. The 1989 Canada - United States Free Trade Agreement was an early indicator of this, but the main developments took place later, with the implementation of the North American Free Trade Agreement and the advent of the World Trade Organization. These international economic treaties have been variously described – as instruments of "disciplinary neoliberalism" (Gill 1995), as new or quasi-constitutions (Clarkson 1993), and as "conditioning frameworks" (Grinspun and Kreklewich 1994). Whatever the label, the thrust of the analysis was that the political effect of these economic

agreements was to enhance and embed and "lock-in" economic liberalism and to render it more difficult for states to alter market relations.[4]

The 1995 federal budget is widely acknowledged to have marked a fundamental shift in the role of the federal state in Canada. Erosion of social programs ended; demolition began (Prince 1999; Kroeger 1996). Henceforth, the primacy of deficit reduction over maintenance of the social safety net was absolutely clear. This led to declining federal transfers to provinces and a fundamental redesign of the unemployment benefit system. As federal funding was diminished, so too were the federal conditions attached to the funds. This enabled provinces to re-design their assistance programs and, as they implemented their own budget cutting exercises, to impose a harsh regime of austerity on recipients of social assistance.

From the mid-1990s Peck and Tickell's third stage of the neoliberal project – "roll-out" began to emerge. Policies associated with this stage included: social program reform (rather than simply program cuts), tax expenditures as new forms of the welfare state (rather than removing all support), establishing partnerships with the private sector (rather than full-scale privatization), and re-regulation (rather than deregulation). The "roll-back" and "roll-out" distinction is an important one to make because it demonstrates the ways in which the neoliberal project has evolved over the years, often out of a need to deal with the contradictions and dislocations that result from its hallmark austerity. However, it would be misleading to suggest that the "roll-out" phase does not itself promote austerity. Indeed, as will be shown in the latter portions of this article, in the cases of income, wealth, government employment, and privatization, austerity is intrinsic to the process. They illustrate the way austerity and

[4] Similar initiatives were undertaken at the domestic level though, in Parliamentary systems where the constitutional doctrine holds that no Parliament can bind its successor, these tended to be symbolic rather than binding. This, for example was true of attempts to impose balanced budget legislation. If successful, balanced budget legislation, or similar laws which limit fiscal policy making powers, would effectively eliminate the ability of government to spend during downturns. Given that tax increases were also discouraged, or capped through legislation, the effect would be to remove the Keynesian policy option. Balanced budget legislation was enacted in most provinces and territories across Canada in the 1990s. Spending cuts were thus encouraged by attempting to lock-in place neoliberal reasoning, and tie the hands of future governments, should they seek to promote greater social equity and full employment. However, it must be noted that the recent economic crisis has prompted at least a temporary reprieve from inflexible balanced budget legislation.

affluence have co-existed in the neoliberal experience and, if current trends continue, will continue to do so.

Transformations in Neoliberalism

Despite the preference for austerity that runs throughout the neoliberal period (regardless of the political party holding power), thinking in terms of phases – or the temporal dynamics of neoliberalization – can be a very fruitful exercise, revealing changes within this paradigm as it evolves to deal with the problems of legitimacy, social reproduction, and social and economic instability that are created by its efforts to tear all down barriers to capital accumulation. Peck and Tickell's (2002) roll-back and roll-out description of this process referred to above is but one example. By the early 2000s other interesting theories were beginning to emerge as well – 'inclusive liberalism' and the 'social investment approach' for instance.

Porter and Craig (2004) and Mahon (2008), for example, argue that global governance institutions like the Organisation for Economic Co-operation and Development and World Bank began to modify their policy position in the 1990s by adopting a new approach – dubbed 'inclusive liberalism' – which is distinct in some ways from earlier forms of neoliberalism. Inclusive liberalism shares important features with neoliberalism (such as an emphasis on the individual, an allegiance to a capitalist market economy and the protection/expansion of private property, an emphasis on supply side measures such as taxation, and flexibilization of the labour market), however Mahon (2008, 262) argues that these two approaches draw on different elements of classical liberalism, with inclusive liberalism being more oriented toward social liberalism and thus focused more on redesigning the welfare state than on dismantlement. These new reforms emphasize assistance and support services, especially with respect to taxation and benefits received, and invest in human and social capital. These ideals were absent from neoliberal paradigm in its early stages (Graefe 2006).

Porter and Craig (2004, 390) call this a "re-embedding, securing phase in contemporary liberal hegemony." Importantly, there is a defensive component to this new phase as neoliberalism failed in many ways to develop the components necessary to produce the social fix needed to promote widespread prosperity and stability following the global accumulation problems that began in the 1970s (see Jessop 2006). This resulted in the 'lost decade' of international development experienced in the 1980s, the many debt and financial crises witnessed as a result of neoliberal policies, the erosion of social support, and the rise of violent

protests against neoliberal austerity and free trade; all of which created serious social instability and a failure of neoliberalism to gain widespread legitimacy (Porter and Craig 2004, 391).

Similarly, with domestic policy transformations, Jenson and Saint Martin (2003) argue that growing concern with the social cohesion problems induced by earlier neoliberal reforms prompted an evolution of social policy in the 1990s. They call this new line of thinking the 'social investment approach', which adds an emphasis on social investment and human capital formation to older neoliberal policy elements. In their words, "high rates of inequality, low wages, poor jobs, or temporary deprivation are not a serious problem in and of themselves: they are so only if individuals become trapped in those circumstances or if they foster anti-social, exclusionary behaviours, such as criminality, dropping out, and so on. They become important when they affect future life chances or social cohesion in the present" (Jenson and Saint Martin 2003, 92). Thus the social investment approach is not only a departure from the post war era distributive or consumption-oriented welfare state, but it is also a modification of the neoliberal paradigm.

Although distinct, the common thread that runs throughout descriptions of roll-out neoliberalization, inclusive liberalism, and the rise of a social investment approach is the recognition that by the late 1990s the search was on for how to make greater market-reliance[5] a viable and sustainable political project in the long run. One important factor that has inhibited this search from becoming a transition *away from* neoliberalism, rather than being a change *within* neoliberalism, is that any new policy thinking and program redesign has continued to operate within the context of strict neoliberal fiscal austerity.[6] Thus when evaluating whether neoliberalism has been displaced by these new models, or whether these represent varieties of neoliberalism, it is useful to keep in mind Joseph Schumpeter's insightful quip that the public budget is the 'skeleton of the state stripped of all misleading ideologies'. We therefore understand the rise of inclusive liberalism or new social investment approaches as new faces of the neoliberal project rather than rival paradigms.

[5] For example, Jenson and St. Martin (2003, 94) point out that in Canada 'in-work benefits' are the new instrument of choice, where government covers the difference between needs and market income by adopting a strategy of "making work pay" (e.g., the federal Canada Child Tax Benefit and similar provincial child tax benefits).

[6] For example, see the section on welfare incomes below.

As the statistics examined in the following sections clearly indicate, to whatever extent decision makers may have articulated new policy models, it has not led to an actual improvement in the in the material conditions of most Canadians. For some indicators of overall social wellbeing (e.g., income distribution and public sector employment), gains made in the 2000s have only managed to partially restore what was stripped away in the 1980s and 1990s; while for other indicators (e.g., welfare incomes, wealth distribution, and real wages), austerity and market-reliance has led to an entrenchment of inequalities. Altogether this suggests that despite the interesting temporal dynamics at play during the neoliberal period, it remains consistently marked by fiscal austerity, deterioration in the position of the majority (the middle class in particular), and rising affluence for a minority of Canadians.

Income Distribution

In a market-based society, one's standard of living is largely dependent on income secured through the labour market, a reality made all the more conspicuous due to the neoliberal erosion of the welfare state through fiscal austerity and program reform. Disparities in income distribution are a good indicator of the relative level of fairness and wellbeing in a society. As disparities rise, so too do inequalities. The statistical data accumulated over the neoliberal period in Canada clearly indicates that income disparities are on the rise (with both market and after-tax incomes); and gains from economic growth are being disproportionately captured by those most well off (and to an increasing degree).

Rising Income Disparity

Incomes have risen in Canada over the past thirty years, with the average market income increasing by nearly 17 percent, from $54,300 in 1978 to $63,300 in 2008 (in 2008 constant dollars).[7] However, gains from rising incomes have been disproportionately captured by the highest earners. Two ways to track these changes are by comparing the average earnings of income quintiles over time, and by examining changes in the share of market income captured by each quintile. Both indicate rising income disparity in Canada.

First, members of the highest income quintile made 35 percent more in 2008 than they did in 1978 (an increase of $42,500), while the

[7] Market income is composed of earnings wages, salaries and commission, self-employment income, farm income, investment income, retirement pensions.

lowest quintile made only 6 percent more (an increase of $200). Mid-range incomes (60 percent of Canadians) nudged up slightly, increasing by 1.5 percent (an increase of $2,200 (see Table 1)). Averaged over the thirty-year period, income-earners in the lowest quintile achieved a derisory $6-7 per year increase in real incomes. Moreover, the increases for most people were concentrated in the final years of the 2000s boom, just before the economic crisis hit. The bottom sixty per cent of income-earners were substantially worse off in 2003, after 25 years of neoliberalism, than they had been in 1978, and the next twenty per cent were only marginally better off.

Table 1
Average Market Income ($)
2008 constant dollars

	1978	1983	1988	1993	1998	2003	2008
Lowest quintile	3,500	2,400	2,900	1,200	1,300	3,000	3,700
Second quintile	26,100	21,100	22,900	16,100	17,300	20,900	23,400
Third quintile	48,700	43,500	46,300	38,500	39,900	43,300	47,100
Fourth quintile	71,000	67,200	72,100	64,800	68,000	71,800	77,500
Highest quintile	122,200	120,200	128,500	120,700	138,200	148,400	164,700

Statistics Canada Table 202-0701

Second, the share of market income gains in the neoliberal period is also increasingly hoarded by the wealthy, all while no improvement in the position of the poorest has been made, and middle income earners have increasingly lost ground over the past thirty years (see table 2). In 1978 the highest income quintile captured 45 percent of all income in Canada, yet by 2008 this share had increased to 52.1 percent. The lowest income quintile had a 1.3 percent share in 1978, and this remained nearly identical in 2008 (1.2 percent). As for the other 60 percent of Canadians – second, third, and fourth income quintiles experienced a loss in their share of total income over that same period, by 2.2 percent, 3 percent, and 1.6 percent respectively.

Table 2
Share of Market Income (%)

	1978	1983	1993	1998	2003	2008
Lowest quintile	1.3	0.9	0.5	0.5	1	1.2
Second quintile	9.6	8.3	6.7	6.5	7.3	7.4
Third quintile	17.9	17.1	16	15.1	15.1	14.9
Fourth quintile	26.1	26.4	26.9	25.7	25	24.5
Highest quintile	45	47.2	50	52.2	51.6	52.1

Statistics Canada Table 202-0701

Similar to market incomes, average after-tax incomes are also on the rise in Canada, growing by almost 17 percent between 1978 and 2008, from $51,000 to $59,500 (in 2008 constant dollars).[8] Under the Keynesian welfare state model, some measure of market income inequality was intentionally reduced through the implementation of progressive taxation systems. In the neoliberal era redistribution still occurs, yet after-tax income inequalities are growing. The Canadian state is therefore implicated in their growth. As table 3 indicates below, the average after-tax income of the wealthiest 20 percent has increased by 29 percent ($29,400) since 1978, while the after-tax incomes of the poorest have increased on average by only 20 percent ($2,400).

Table 3
Average After-Tax Income ($)
2008 constant dollars

	1978	1983	1988	1993	1998	2003	2008
Lowest quintile	12,100	12,200	13,900	12,600	11,800	13,200	14,500
Second quintile	30,000	27,500	28,900	26,100	26,500	28,900	31,500
Third quintile	46,500	42,700	44,000	40,000	40,700	44,300	48,500
Fourth quintile	63,600	59,900	61,900	57,500	59,900	64,900	71,200
Highest quintile	102,500	98,600	101,600	95,500	106,500	117,500	131,900

Statistics Canada Table 202-0701

Despite now having a taxation system that does not significantly dampen disparities, and keeping in mind that the after-tax incomes of the bottom 20 percent remain at near subsistence levels, it is worth pointing out how important this vestige of the Keynesian welfare state remains. Comparing the lowest quintile table 1 figures to those of table 3 makes it evident that

[8] After tax income is defined as total income minus income tax. (Total income is composed of market income plus government transfers.)

redistribution is essential for propping up purchasing power and providing for some modicum of social wellbeing given the meagre income secured by those pushed to the margins of the labour market in Canada.

The share of after-tax incomes is also growing increasingly uneven, although the magnitude of this disparity is lower. The share of income captured by the lowest quintile remains flat (increasing by only 0.2 percent over 30 years), while the highest quintile has experienced gains of 4 percent and the middle 60 percent have lost 4.3 percent of their share of total after tax-income in Canada (table 4).

Table 4
Share of after-tax income (%)

	1978	1983	1988	1993	1998	2003	2008
Lowest quintile	4.7	5.1	5.5	5.5	4.8	4.9	4.9
Second quintile	11.8	11.4	11.5	11.3	10.8	10.7	10.6
Third quintile	18.3	17.7	17.6	17.3	16.6	16.5	16.3
Fourth quintile	25	24.9	24.7	24.8	24.4	24.1	23.9
Highest quintile	40.3	40.9	40.6	41.2	43.4	43.7	44.3

Statistics Canada Table 202-0701

As helpful as the quintile breakdown is for uncovering income disparities, what this measurement obscures is just how much better off the very highest income earners in Canada are. Amongst the richest 5 percent of the population, the top 1 percent captured more than 90 percent of all income gains made by this group, and half of that was absorbed by the richest 0.1 percent (Mackenzie 2009b).

Stagnant Real Wages for Most Canadians, but the Rich Keep Getting Richer

Not only are disparities amongst income groups on the rise in Canada, but real hourly wages increased by only 0.8 percent per year compared to increased labour productivity averaging1.3 percent per annum between 1981 and 2008 (IOW 2009, 15). Thus, Canadian median wages and salaries, adjusted for inflation, have not grown for thirty years (Laxer 2009, 54). This is consistent with Marx's (1977) description of exploitation – the extraction of absolute surplus value and relative surplus value from labour. The former is increased through a lengthening of the working day and the latter through an increase in productivity. Chernomas (1999) argued that both are salient features of production under neoliberalism, more people

now do work longer hours, and wages have not improved despite rising productivity.

It should come as no surprise that the most affluent are exempt from these stagnant wage trends, yet it is startling to see just how much richer the rich have become. In 1995 the average total compensation of the 50 highest paid executives in Canada was $2.66 million, roughly 85 times the pay of the average worker; by 2007 they were making 398 times the average amount (Mackenzie 2009b). The average earnings of the top 100 Canadian CEOs even increased by 22 percent in one year alone – from $8.5 million in 2006 to $10,408,054 in 2007 (*ibid*). The 2009/10 recession also emphasized the level economic security experienced by the most affluent – in 2009 Canada's top 100 CEOs earned 155 times what the average Canadian earned, up from 104 in 1998 (Mackenzie 2011).

Wealth Distribution

Similar to income distribution, wealth concentration is on the rise. The wealthiest Canadians continue to grow disproportionately wealthy and have captured an ever larger share of total wealth generated during the neoliberal era. Understanding what is happening with the distribution of wealth in this country is important. It helps shed light on the implications of state austerity and neoliberal wage-compression, given that working class households must now borrow in order to maintain their standard of living in the face of stagnant or declining real wages and the retreat of welfare state support. In Canada household debt as a percentage of personal disposal income was roughly 80 percent in 1990, yet increased to 100 percent by 2002, and reached nearly 140 percent by 2008 (Baragar 2009, 82). As a corollary, the personal savings rate in Canada dropped from 20.2 percent of disposable income in 1982, to below 10 percent in 1994, and finally to a low of 2 percent in 2005 (*ibid*). The consequences of the neoliberal high-debt, stagnant wage model were made clear during the most recent financial crisis: many households borrowed against the value of their homes, maxed out their credit cards, and had little or no savings to cushion the blow once the bubble burst.

Tracking changes in wealth distribution thus provides some insight into the economic (in)security of Canadians. Wealth can be drawn on to cushion the blow of economic downturns, and also reduces dependence on the labour market by, for example, allowing one the flexibility to reduce work hours, or to pursue self-employment (Morissette and Zhang 2006). A lack of assets or high levels of personal indebtedness eliminates these options.

Since 1984 the median wealth of the bottom 40 percent of Canadians has declined, in some cases dramatically. Between 1984 and 2005, the level of indebtedness for bottom 10 percent of households has increased on average by $7,500; and for the next ten percent wealth was nearly completely eliminated. The top 10 percent, by contrast, nearly doubled their average household wealth, as it increased by $659,020 in that same period (table 5).

Table 5
Median Wealth (2005 $)

	1984	1999	2005
Bottom 10%	-2,100	-6,570	-9,600
Second	780	120	10
Third	7,770	6,820	6,000
Fourth	24,630	26,150	25,500
Fifth	52,260	57,120	63,250
Sixth	83,130	93,850	109,050
Seventh	120,690	148,610	173,590
Eighth	170,210	221,770	263,000
Ninth	256,740	344,890	413,750
Top 10%	534,980	723,590	1,194,000

Morissette & Zhang. 2006.

Wealth has also grown more concentrated during the neoliberal period. As indicated on table 6, the bottom forty percent have maintained roughly the same relative share of wealth over the neoliberal period, the next fifty percent have lost some ground, and the top 10 percent of Canadian households are now capturing a greater share of total wealth (increasing by 6.4 percent).

Table 6
Share of Wealth (%)

	1984	1999	2005
Bottom 10%	-0.5	-0.6	-0.6
Second	0.1	0	0
Third	0.5	0.4	0.2
Fourth	1.7	1.3	1.1
Fifth	3.5	2.8	2.5
Sixth	5.6	4.7	4.4
Seventh	8.2	7.4	6.9
Eighth	11.5	11	10.5
Ninth	17.5	17.4	16.8
Top 10%	51.8	55.7	58.2

Morissette and Zhang. 2006.

Welfare Incomes

The neoliberal policy message is clear: securing employment through the labour market must be encouraged, irrespective of the social costs. The notion that the market alone should be relied on for wellbeing might initially appear farcical in the face of decades-long stagnant or declining market incomes and ever-growing wealth concentrations (see tables 1 and 5); yet it is a message that is powerfully reinforced through decades of fiscal austerity, leading to a dramatic decline in the generosity of welfare benefits, "making life more difficult for the nearly 1.7 million children, women and men who rel[y] on welfare" (NCW 2007, 66).[9] The annual Welfare Incomes[10] publication produced by the National Council of Welfare (e.g. NCW 2007, 2010) documents the implications of this austerity. For many family scenarios, welfare incomes in 2006 and 2007 were at their lowest point since 1986 (NCW 2007, 68). The situation improved slightly in 2009 as welfare incomes were higher than in 2008, yet nonetheless they remained "consistently far below most socially accepted measures of adequacy" (NCW 2010, v). This decline can be attributed mainly to rising

[9] The 1996 federal spending and program changes that were made with the introduction of the Canada Health and Social Transfer (CHST) allowed for considerable experimentation by provinces in the redesigning of assistance programs. Along with the tightening of eligibility and benefit levels came a dramatic reduction in the number of Canadians able to rely on government assistance. Since then the number of welfare recipients have been cut in half, declining from just over 3 million people in 1995 to 1.68 million in 2005 (NCW 2006).

[10] Welfare incomes are defined as social assistance plus child benefits and tax credits.

inflation, as the majority of welfare incomes did not keep pace with the 45.9 percent increase in the cost of living that occurred between 1990 and 2009. This left many worse off now than recipients in previous decades, with welfare incomes dropping by 20 percent in some cases (NCW 2010, vii).

Single people classified as 'employable' fare the worst. Depending on the measure used, this family type receives an income that is between 24 percent (at worst) and 64 percent (at best) of the poverty line. These incomes amount to only 15 to 38 percent of the after-tax income of average Canadian single member households, "making it apparent just how excluded some social assistance recipients are from mainstream Canadian life" (NCW 2010, viii). Although other family types (such as a single person with a disability, a lone parent household, or a couple with two children or more) may fare marginally better, it is worth emphasizing that poor economic conditions (the crisis and recession) have left many Canadians with no option but to turn to social assistance once their Employment Insurance benefits have run out.[11] These individuals are thus doubly punished, first by the market and then by the state as dismal welfare benefits push them far below the poverty line.

On top of the reduced purchasing power and eroded standard of living experienced by welfare recipients, those in need of social assistance must now also contend with more punitive, workfare-oriented social programs which make qualifying for and maintaining assistance very difficult, especially for the homeless (Wallace *et al.* 2006; Bezanson 2006). Changes made at the provincial level since the 1990s have been dramatic. In British Columbia neoliberal program reform has been described as "unprecedented in Canada" as eligibility rules have been tightened and the application process altered such that those most in need of help are "discouraged, delayed and denied" and many are "diverted to homelessness, charities, and increased hardship" (see Wallace *et al.* 2006, 6-7). Thus austerity is not only a means to an end (lower government debt/deficits), but is also tied into a social shift in which economic security is far less assured and precariousness is reinforced.

[11] Employment Insurance has also become far less generous, with 2008 coverage reduced, duration of benefits decreased, and qualification period extended compared to 1981 levels (see Sharpe and Arsenault 2009).

Size of the Public Sector

Public Sector Employment

Another implication of state spending austerity is a decline in the number of people working in the public sector. Government employment between 1990 and 1999 fell by 9 per cent (McBride 2005, 102). In the early 2000s this trend was reversed to a degree. The number of public sector employees at the provincial and federal level did increase in those years. However, as a percentage of the total labour force government employment seemed to have experienced a permanent decline: from 21.25 of the labour force in 1990, to 17.5 in 1999, to 17.0 in March 2003, and after years of "boom," only 18 percent in 2009 (compiled using Statistics Canada CANSIM data, table 183-0002 "Public Sector Employment"). Despite economic growth, the imprint of the public sector in employment terms was reduced. Future cuts to the public sector also appear imminent as the 2010-11 federal budget seeks to save $17.6 billion over five years through "streamlining and reducing the operating and administrative costs of government departments" (Evans 2010).

Privatization

Privatization is promoted as a mechanism for reducing state debt/deficit levels and as a way of enhancing the efficiency of goods and services provision. The initial wave of privatization in Canada targeted federal and provincial Crown corporations, and was most popular from the mid-1980s to the mid-1990s (see McBride 2005, 103-4). Privatization tended to occur within sectors that were strategically important for the functioning of the Keynesian welfare state (e.g., energy and transportation). They were also the most potentially profitable sectors of direct state involvement and thus privatization proved to be a boon for the private sector while hardly being justifiable as a form of fiscal austerity given that a stream of remittances was been traded for a single (often devalued) lump sum payment.

Once the most promising state owned enterprises were sold, new forms of privatization by stealth began to emerge – such as public-private partnerships (P3s) with the for-profit private sector – which, despite being also justified under the rubric of fiscal austerity, are often far more costly (economically and socially) than traditional service and infrastructure delivery methods. Evidence of this abounds in the Canadian empirical record, two prime examples being the Abbotsford Regional Hospital P3 and the Brampton Civic Hospital P3. Despite claims that these P3s could deliver better value for money than the traditional public procurement

method (Partnerships BC 2005; Daily Commercial News 2001), both actually ended up costing the taxpayer far more.

First, there are hidden fees that uniquely accompany P3s. With the Abbotsford hospital, the BC provincial government spent over $7 million in administrative costs, and $24.7 million on legal and consultant costs (Partnerships BC 2005, 34). Similarly, with the Brampton hospital, the Ontario provincial government paid $33.9 million to advisors subsequent to the selection of the preferred bidder (Auerbach *et al.* 2003, 9).

Second, privately financed infrastructure also costs more due to the higher interest rates typically secured by private sector borrowers. Prior to 2007, private partner borrowing costs exceeded public costs by two percent, amounting to a 60 percent increase in total financing costs when measured in present value terms. This spread then increased to three or four percent on average in 2007-9 due to the global financial crisis, amounting to a 70 percent increase in total financing costs (Mackenzie 2009a, 2).

Finally, P3 value for money is often more rhetoric than reality. In the case of the Brampton P3 hospital, the Auditor General of Ontario found that going with the traditional method would have saved taxpayers $200 million (Office of the Auditor General of Ontario 2008, 117). In analyzing the Abbotsford project, forensic accountants Parks and Terhart concluded that the methodology used to determine value for money was "biased in favour of the P3" and had best practice methods been followed, a publicly delivered hospital would have produced a savings of roughly $80 million when compared to the P3 option (2009, 10). The higher costs associated with P3 use not only undermines proponents' arguments that they help curb wasteful government spending, but it also means that less is available to be spent on much needed social concerns and infrastructure projects.

Conclusion

The vast majority of Canadians are punished twice by the neoliberal regime, first through the labour market and then by the state. Structural changes in the economy have meant three decades of decline for the majority: stagnant or shrunken market incomes, a reduced share of national wealth, and a dramatic rise of household indebtedness. Alongside this inability of the neoliberal economy to provide for social wellbeing, state policy now punishes those most in need through draconian spending restraint and program reforms which actually push some families further into poverty. Yet this shift from a welfare state to a miserly state is far from consistent across social classes. Whether one considers the multi-

billion dollar bailouts recently offered to leading capitalist sectors (auto and banking), or the ever-growing use of P3s that often throw millions of unnecessary taxpayer dollars into private coffers with each new project, neoliberal policy has proven quite generous for some. Further, in contrast to the income stagnation and wealth erosion experienced at the bottom and by the middle class over thirty years, the position of the wealthy has improved dramatically – incomes and assets are growing, as are their shares of each. Thus to the familiar neoliberal rhetoric of belt tightening and market-reliance must be added the reality of abundance and state support experienced by the few who benefit from its logic. Austerity has been a salient policy feature over the past thirty years, yet it has also been selective. Posing the question 'austerity for whom?' forces us to recognize that not only has this been a permanent feature of the neoliberal period for many but it is also inexorably intertwined with growing affluence experienced by those few who are most well off in Canadian society.

The neoliberal regime has triggered a series of regional crises which impoverished millions of people around the world, culminating a global financial crisis in 2007. For a time this crisis seemed to shake neoliberal certainties to their foundations. Emergency measures included bailouts, nationalizations, budgetary stimulus, financial easing and a host of other initiatives designed to get credit and job creation moving. Although a global recession did follow the financial crisis and credit-crunch, the stimulus packages put in place averted a more serious situation. However, these measures were intended to rescue the neoliberal project, not to bury it. Once slender signs of a recovery appeared, policy discussions turned to the issue of how quickly emergency measures could be terminated and "sound finance" restored. Meanwhile the vast sums expended in bailing out financial institutions deemed "too big to fail" had to be repaid. A new age of austerity looms in which state budgets and particularly social programs will be ravaged to pay for the excesses of financiers. So popular is the return to austerity that according to Paul Krugman (2010): "the idea that what depressed economies really need is even more suffering seems to be the new conventional wisdom". The new era of austerity, however, is nothing new. Looked at in historical context, it is simply a crisis-driven intensification of longer term trends that are intrinsic to the neoliberal model.

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SPECIAL ISSUE ON ORGANIZING FOR AUSTERITY: THE NEOLIBERAL STATE, REGULATING LABOUR AND WORKING CLASS RESISTANCE

The Productivity Mantra
The Profit Motive Versus The Public Good

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Abstract
Capital accumulation is the essence of production in capitalist society. Consequently, corporations are constantly driven and workers exhorted to increase productivity in the interest of raising profits. Economic slumps and recessions are used as reasons to argue that there is a productivity crisis and push for increasing productivity at the expense of wages, benefits and social programming, as we see with the post-2007 Great Recession. This essay discusses these trends, theoretical and ideological arguments, and the need for a socialist alternative to the never-ending push to increase productivity for capital accumulation at the expense of workers' rights and social welfare.

Résumé
L'accumulation du capital est l'essence de la production dans les sociétés capitalistes. En conséquence, les entreprises sont constamment obligées et les ouvriers constamment exhortés à augmenter leur productivité dans le but d'augmenter les profits. Les ralentissements de l'économie et les récessions sont utilisés pour justifier l'argument qu'il y a une crise de productivité et pour pousser pour plus de productivité aux dépens des salaires et des avantages associés et des programmes sociaux, comme nous le voyons avec la Grande Récession depuis 2007. Cet article analyse ces tendances, les arguments théoriques et idéologiques, et le besoin d'une alternative socialiste à la pression sans cesse renouvelée à l'augmentation de la productivité pour favoriser l'accumulation du capital aux dépens des droits des travailleurs et des droits sociales.

Keywords
capitalism; productivity; work; social welfare

Mots-clés
Capitalism; productivité; protection sociale; travail

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Since the global economic slowdown of the early 1970s we have been hearing from businesses and governments that one of our most serious economic problems is a decline in labour productivity. Indeed, much of the recent discussion on globalization and the so-called New Economy focuses on the ostensible need for nations and businesses to increase their productivity to enhance competitiveness in the world market, a call that has heightened in the neoliberal era after the 1970s. For example, in a recent article in Canada's national newspaper *The Globe and Mail,* Kevin Lynch, former clerk of the Privy Council and secretary to cabinet, tells us that Canada's economy is performing badly because we are headed for a "productivity trap."[1] In July of 2010, *The Globe and Mail* ran a series of articles on Canada's "productivity challenge," has run a series in its *Globe Investor* column on why investors should care about productivity, and more recently a cover story in its business section on the so-called productivity trap.[2] The message is that one of our biggest woes is the need to increase productivity for global competitiveness. In arguing that Canadian labour is less productive than US labour, mainstream economists and government commentators omit any discussion of the fact that the United States has moved to an even more "flexible" labour market with higher levels of exploitation of labour than we have seen in Canada. US union density is lower, employment is more precarious, and welfare supports are meager in comparison to Canada. The US vision is the one that neoliberals have for Canada, couched in the argument that Canada needs higher levels of productivity.

The argument for increasing productivity is applied to production of goods and services, including public services. Not surprisingly, capitalist governments and international organizations, such as the International Monetary Fund (IMF), the World Bank, and the World Trade Organization

[1] *The Globe and Mail,* Saturday, 30 January 2010. I recently spent a sabbatical leave in Australia, which has a national productivity commission with this stated mandate: "The Productivity Commission is the Australian Government's independent research and advisory body on a range of economic, social and environmental issues affecting the welfare of Australians. Its role, expressed simply, is to help governments make better policies in the long-term interest of the Australian community. As its name implies, the Commission's focus is on ways of achieving a more productive economy - the key to higher living standards" (http://www.pc.gov.au/about-us). A key topic in the run-up to the 2010 Australian federal elections has been a debate on the need for increased productivity and "market effectiveness."

[2] *The Globe and Mail,* Wednesday, 15 September 2010.

(WTO), constantly argue for increasing productivity.[3] But labour unions tend to fall in line as well, and the International Labour Organization made productivity the focus of its *World Employment Report 2004-05*, repeating the common argument that improvements in living standards are contingent on increasing productivity (ILO 2005). The current chanting of the exhortation to increase productivity has become a sort of mantra.

Corporate restructuring since the financial crash of 2007 has also focussed on the argument that we need to increase labour productivity, while failing banks in various countries were being given millions of dollars in bailouts, and executives, whose actions had caused the crash, received large bonuses. Meanwhile, workers were being laid off and people were losing their homes as the housing bubble burst. State monies were given to Chrysler and General Motors to stave off collapse of the North American auto industry, which had been poorly managed for years, while workers were being told that the bailouts were contingent on workers in Canada and the United States making major concessions.[4] And now there is a call to cut social programs to pay for state stimulus deficits, even though labour productivity is actually up in most OECD countries (Pollen and Jay 2010). The supposed need to increase labour productivity has now become part of the push for austerity in both the private and public sectors.

In the following pages, I will consider how the standard notion of productivity continues to be applied in the post-1970s neoliberal era. The post-industrial society thesis on work is considered as a continuing ideological basis for this practice. The degradation of labour thesis is then examined as a counter to that dominant ideology. While the essay is primarily a theoretical examination of the subject, I will provide some empirical illustrations of the impacts of neoliberal notions of productivity and work in the public services, in relation to social and public policy, the work of human service workers, and promotion of the public good rather than the capitalist profit motive. The essay will conclude with some suggestions for what Baran (1969) would call a more rationally oriented society.

[3] A search of these organizations' websites reveals numerous articles dealing with issues of productivity and their relation to globalization and the New Economy.

[4] Demands for worker concessions were being made despite the fact that newspapers like *The Globe and Mail* were reporting that labour costs only amounted to seven percent of the cost of production of an automobile. See also Albo, Gindon, and Panitch (2010).

Productivity Crisis?

Is there really a crisis of productivity? Critics note that, with advanced technologies of late capitalism, we are producing vastly more with fewer workers. As well, the standard notion of productivity itself is problematic, especially when applied to public sector human services. In this essay, I will provide an analysis of this problem by drawing on insights from the *Monthly Review* school of thought, particularly a series of articles by Harry Magdoff and Paul Sweezy in which these issues were raised three decades ago (Magdoff and Sweezy 1979, 1980; Magdoff 1982a, 1982b). The purpose of this essay is to argue that the claims of a productivity crisis are ideological, and to describe the purpose of that ideology.[5] Magdoff and Sweezy (1979, 12) tell us that the constant push to increase productivity "has become enshrined as a cardinal myth of the ruling ideology." It is an ideological argument constructed under a number of guises, most recently as part of globalization and its New Economy, to exhort more work at lower wages out of labour forces around the world. We have seen this again with the post-2007 Great Recession, and now the state austerity drive (Magdoff and Yates 2009). At the core of this obsession with productivity is the economistic nature of production in capitalist society (Marx 1867; Amin 1978), which tends to favour a focus on quantity over quality in production of goods and services.

Contrary to the argument that we need to constantly increase productivity, Magdoff and Sweezy (1979, 12) stated: "We have the productivity and the resources, in fact, to produce all that would be needed to eliminate poverty and provide everyone with fuller and richer lives" and given the world's problems, we should "be more concerned with *reducing* than increasing productivity." This was a relevant argument thirty years ago, and is even more so today. Even the IMF (2002) tells us:

> During the 20th century, global average per capita income rose strongly, but with considerable variation among countries. It is clear that the income gap between rich and poor countries has been widening for many decades. The most recent *World Economic Outlook* studies 42 countries (representing almost 90 percent of world population) for which data are available for the entire 20th century. It reaches the conclusion that the output per capita has risen

[5] However, as Quiggin (2010, 3) tells us, "Politically dominant elites don't see themselves as acting ideologically and react with hostility when ideological labels are pinned on them. From the inside, ideology usually looks like common sense."

> appreciably but that the distribution of income among countries has become more unequal than at the beginning of the century.

If the IMF, one of the prominent institutions entrusted after World War II with protecting and promoting the capitalist world economy, readily admits that global production and income rose strongly over the 20th Century, and that unequal distribution is the problem, why do we so often hear that there is a problem with economic growth and labour productivity? If the global economy produces more commodities than can easily be sold on the world market,[6] is there really a crisis of productivity? When we see cities trying to cope with the piles of garbage spewed out by our global consumer society (Brennan 2003), what logic says we must produce even more? Why is there an incessant drive to increase productivity in the face of massive wealth alongside poverty, inequality, social and labour market polarization, environmental destruction and waste? And now workers are expected to make more concessions, and citizens are expected to accept a state austerity drive.

A rational person might well conclude, along with Magdoff and Sweezy, that the cry of a productivity crisis is a false alarm.[7] For individual capitalists there is a rationality to constantly increasing productivity, because they must compete with other capitalists for market share. They are thus always searching for ways to cut production costs and increase output, despite the fact that markets may be glutted. But, as Marx pointed out, the capitalist system is rife with contradictions. However, from the point of view of satisfying human needs, the capitalist logic is irrational. As the final declaration of The World People's Conference on Climate Change and the Rights of Mother Earth held 20-22 April 2010 in Cochabamba, Bolivia so aptly states:

> The capitalist system has imposed on us the logic of competition, progress, and limitless growth. The regime of production and consumption seeks profit

[6] We saw this problem in recent years with the stockpiling of commodities during the Asian economic slowdown and the problem of what economists call a "capital overhang" (Sweezy *et al.* 2002), and then again with the Great Recession following 2007 (Foster and Magdoff 2009).

[7] Baran and Sweezy (1966) and other *Monthly Review* authors long ago established that there is a stagnation tendency under monopoly capitalism, but this is not the same as a productivity problem. The stagnation tendency relates, in fact, to a problem of overproduction and the tendency of the economy surplus to rise, so that there is a lack of sufficiently profitable investment opportunities, thus giving rise to all sorts of waste investment under monopoly capitalism.

> without limits, separating human beings from nature and imposing a logic of domination upon nature, transforming everything into commodities: water, earth, the human genome, ancestral cultures, biodiversity, justice, ethics, the rights of peoples, and life itself.[8]

If our concern is to promote social development and well-being we should take an approach to productivity quite different than the standard market-oriented one, in which productivity is seen to be a quantitative process, not a qualitative one, with a focus on outputs, not outcomes. We should focus mainly on *what* is being produced and *why*, not *how much*. Our focus should be on human needs and human rights, which would include the right of present and future generations to a clean environment based on sustainable development (Foster 2009). Magdoff and Sweezy (1979, 12) tell us that the constant push for greater productivity "is to satisfy the crazy rationality of capitalism", not the public good, and brings to mind Galbraith's (1994, 52) comment on the "mass escape from sanity by people in pursuit of profit." We can add that the current push for state austerity has nothing to do with the public good, but is intended to shift the burden of the economic crisis onto the backs of the working class.

What Is Productivity?

Before turning to our theoretical discussion, let us consider briefly the problems of defining and measuring productivity. *Webster's New World Dictionary* (1994) defines "productive" as "of or engaged in the creating of economic values, or the producing of goods and services." *The Penguin Dictionary of Economics* defines "productivity" as:

> The relationship between the output of goods and services and the inputs of resources (*factors of production*) used to produce them. Productivity is usually measured by ratios of changes in inputs to changes in outputs using *index numbers.* For example, changes in labour productivity, the most common measure, are measured by an index of man-hours divided by an index of output.

But the *Penguin Dictionary* goes on to tell us: "Comparisons between labour productivity in different sectors of the economy, for example between *capital-intensive* manufacturing and *labour-intensive* services, need to be interpreted with care for the same reason" (Bannock *et al.* 1987,

[8] Notes From The Editors, *Monthly Review* 62, no. 2 (June 2010).

330). Nevertheless, as Magdoff and Sweezy (1979, 1980) showed when alarm bells went off about a supposed productivity slowdown in the US economy in the 1970s, many economists and state agencies made exactly these mistakes of glossing over differences between industries with different levels of capital intensity, and between manufacturing and services. Magdoff and Sweezy (1980, 6) tell us that there are some service jobs that are routine and repetitive where productivity measures might have some meaning, but go on to ask "how would one go about measuring the productivity of a fireman, an undertaker, a teacher, a nurse, a cashier in a supermarket, a short-order cook, a waiter, a receptionist in a lawyer's office?" Magdoff and Sweezy (1979, 12) note one problem is that the qualitative is so intertwined with the quantitative.

> What needs to be understood is that these data do not take account of the *quality* of the output; at best, they measure only quantity. Significant as this omission may be in the measurement of goods production, it is especially serious in the case of services. For example, the productivity of educational institutions rises as the class load of teachers is increased. But at the same time the quality of education is bound to decline since each teacher has to deal with more pupils and can devote less attention to each one. Are teachers then producing more or less? Similarly, the closing down of a hospital in a neighbourhood and the transfer of patients to a hospital in a distant area may appear to boost the productivity of the hospital workers, but at the cost of the quality of medical services. Measures of quantitative output in these and other service occupations are of necessity biased and can only have an ambiguous and limited significance.

Overall, Magdoff and Sweezy (1980, 6) argue that "there is no such thing as a straightforward or 'true' measure of productivity." The essence of their argument was that the standard measure of productivity is flawed not only due to the complexity issues raised above, but because the measure of output used is one that relies on market prices. The presumption is that labour input in terms of hours worked can be measured in output according to market prices attained for the goods or services produced. But as they pointed out, because they are often not based on actual production costs, market prices bear no clear correspondence to material or labour inputs. This approach becomes especially problematic when applied to the services, because it is a quantitative measure and there is no way to translate the qualitative nature of most service work in quantitative

terms.[9] The issue becomes even more problematic when applied to public services that are not intended for trade on the market. In measuring productivity, agencies such as Statistics Canada are careful to distinguish what they call the business sector from government and non-commercial activities (Statistics Canada 2010; Baldwin 2004). But this has not stopped some economists and politicians from using the standard definition of productivity as an ideological weapon, especially in the era of neoliberalism when deregulation and privatization of state services have become the name of the game, as the discussion of human service work below reveals.

Magdoff and Sweezy (1982) also identified the issue of the increasing financialization of capitalism. With respect to understanding productivity comes the problem of distinguishing the real economy from what some economists call the paper economy (Stanford 1999). A particular problem in the current era of monopoly finance capital, as we have seen in the recent financial meltdown, is that much activity on the stock market has nothing to do with production of actual goods and services (Foster and Magdoff 2009), which further complicates any clear understanding of productivity.

The main reason why one narrow definition of productivity holds sway is because of the ideological dominance of the classical liberal, and now neoliberal, theory of the economy and economic growth. The standard definition of productivity is ideologically derived from what can be called the growth imperative that is endemic to capitalism (Altvater 2002). The drive to promote economic growth for capital accumulation is incessant. As Marx (1876, 742) so colourfully put it in the first volume of *Capital,* "Accumulate, accumulate! That is Moses and the prophets!"[10] The result is an underlying economism in capitalism, and equation of development with economic growth by classical liberal and neoliberal theorists. This issue

[9] Those who have read Robert Persig's (1974) *Zen and the Art of Motorcycle Maintenance: An Inquiry Into Values* will recall that the theme of the book is the academic protagonist's dilemma of trying to understand whether "quality" can even be defined, let alone measured. This philosophical problem led the protagonist to a mental breakdown, but apparently poses no problem for the economists of capitalism.

[10] For Marx, productivity plays a significant role in capitalist's drive to accumulate, thus the productiveness of labour is important and becomes contested terrain. As Wallerstein (2011, 32) puts it: "The driving underlying objective of capitalists in a capitalist system is the *endless* accumulation of capital, wherever and however this accumulation may be achieved. Since such accumulation requires the appropriation of surplus value, this drive precipitates the class struggle."

caused a major debate in the sociology of development in the 1970s when dependency and world systems theorists were challenging the precepts of modernization theorists.

An important part of the critique of modernization theory was that economic growth was being conflated with development. In his discussion of this Mason (1997, 407) asks: "What was development?" He answers: "'Development' was the promise of universal economic growth along the routes pioneered by the leading countries of the West. 'Growth' implied steady economic expansion and sophistication in the form of industrialization."[11] However, in the late 1960s critical analysts had noted that growth is a quantitative process, involving mainly the extension of an already existing structure of production, while development suggests qualitative change, the creation of new economic and non-economic structures. This distinction became important enough in critiques of development that in the 1970s even the World Bank began to package its development assistance programs as being more than just economic growth. World Bank literature adopted the terminology of a "basic needs" approach to development being advocated by many non-government organizations in the 1970s, which defined basic needs as moving beyond simply food, shelter and clothing (for examples, see World Bank 1980a, 1980b). But the changes to World Bank programming were largely rhetorical, a practice which continues with the Bank espousing poverty reduction as a goal, while it follows its sister institution the IMF in promoting neoliberal structural adjustment programs that emphasize privatization of state services and concentration on increasing productivity to promote economic growth (Black 2007). In short, dependency theory had defeated modernization theory in academia, but not in the realm of public policy.

With a growing crisis of global capital accumulation after the 1960s, transnational corporations, their respective states and supporting financial institutions were already beginning a response to the crisis in what came to be called globalization in the 1990s. Sweezy *et al.* (2002, 2) observe:

[11] The core of the modernization argument was captured by W.W. Rostow (1991) in his book *The Stages of Growth: A Non-Communist Manifesto*, first published in 1960, and subsequently republished in various editions. Rostow argues that there are five stages that societies go through in developing: (1) the traditional society, (2) the preconditions for take-off, (3) the take-off, (4) the drive to maturity, and (5) the age of high mass consumption. Not only is this depiction purely economistic, it encompasses the notion that production is for and should be measured as success in producing commodities for consumption, therefore the standard measure of productivity.

"This notable [post-1960s economic] slowdown has also taken place alongside a major leap in technology (the so-called New Economy) and the widening globalization that increased exploitation of the third world." This involved what some authors called a new international division of labour (NIDL; Frobel *et al.* 1980).

Accompanying these economic changes were changes in public policy which, with the recessions and long-wave economic downturn, took a turn against post-World War II Keynesianism and a shift towards a neoliberal free market approach (Teeple 2000). The elections of Margaret Thatcher in the United Kingdom in 1979 and Ronald Reagan in the United States in 1980 marked a shift in the role of states in the world economy, arguably a return to unfettered capitalism, which was being espoused as a good thing. In terms of post-World War II development theory, in official policy and practice this brought the resurgence of the assumptions of modernization theory. The neoliberal 1980s thus witnessed an acceleration of the new international division of labour, and state policies of privatization, deregulation and cutbacks to state welfare services, now being pushed with a vengeance with the Great Recession austerity campaign (Merret 1996; Sears 1999; McBride 2005; Broad and Hunter 2009).[12] The neoliberal era also witnessed a revival of discussions of post-industrial society, which underlies the ostensible need to cut production costs and increase productivity to enhance competitiveness.

The Coming of Post-Industrial Society?

In the early 1970s, changes producing what has more recently been called the New Economy gave rise to notions that industrial capitalism as we knew it was being superseded. One of the best-known works from this era is Daniel Bell's (1973) book *The Coming of Post-Industrial Society.* The gist of Bell's argument was that new technologies were producing a shift from a manufacturing-based society to a service society, that blue-collar workers of the old industrial society were being supplanted by "knowledge workers" in the post-industrial society, that knowledge was the ascendant form of capital ruling this society, and that workers who possessed this knowledge capital would become the favoured class in this new society. In one sense, this was a repackaging of the old post-World War II mainstream

[12] The 8 November 2010 issue of *Maclean's* magazine has a cover story entitled "Europe Throws A Tantrum: A Pampered Continent Protests the Rollback of Its Lavish Welfare State." The propaganda against European labour and popular struggles and against the welfare state is obvious.

sociological notion that we were all becoming middle class, a myth that has resurfaced lately with right-wing attempts to outlaw collective bargaining in US states like Ohio and Wisconsin.[13] In 1955 Bell himself had written about "the disintegration of capitalism," but by the 1970s his tune had changed (Lavaca Collective 2007). The post-industrial society thesis also underpins discussions of the New Economy.

A later version of Bell's thesis, touting the merits of the "knowledge society," appears in management guru Peter Drucker's (1993) book *Post-Capitalist Society,* with the discussion most recently surfacing with respect to knowledge workers in the information age. Drucker's perspective, which has a decidedly neoliberal slant, provides a useful summary of the New Economy thinking that lingers on, despite the 2001 dot-com crash and post-2007 recession (Broad and Antony 2006). His book also captures and applies to the subject of productivity the thinking of a post-1970s trend called the New Public Management (NPM) typified by the work of Osborne and Gaebler (1992). They list ten features of what is called New Public Management: (1) the catalytic role of government, (2) empowerment of citizens, (3) efficiency and economy in performance, (4) emphasis on goals rather than rules, (5) customer-oriented government, (6) competitive government, (7) anticipatory approach, (8) enterprising government, (9) decentralization of authority, and (10) emphasis on the market mechanism. These features belie the neoliberal basis of NPM thinking, emphasizing market liberalism, privatization, contracting out, and the conceptualization of citizens as consumers.[14] The focus of NPM is on management, not policy, with an emphasis on productivity and cost effectiveness. These themes are clear in Drucker's discussions of productivity.

Drucker (1993, 82) claims:

> The new challenge facing the post-capitalist society is the productivity of knowledge workers and service workers. To improve the productivity of knowledge workers will in fact require drastic changes in the structure of the organizations of post-capitalist society, and the structure of society itself.

Noting that three quarters to four fifths of the workforces in the developed countries are employed in the service sector, Drucker (*ibid*, 83) exclaims:

[13] Of course, the growing importance of white-collar service workers had already been noted by Mills (1953) two decades before.

[14] For a discussion of these traits of neoliberalism see Broad and Antony (1999).

"Their productivity, rather than the productivity of the people who make and move things, is *the* productivity of a developed economy. It is abysmally low [and] may actually be going down rather than going up." The neoliberal view is clearly seen in comments such as: "The lowest level of productivity occurs in government employment", and in his assertion that a main hindrance to productivity growth after the Second World War was due to "strong labor union opposition to anything that would give the worker a 'managerial attitude,' let alone 'managerial responsibility'" (*ibid*, 84, 92). According to Drucker, having a managerial attitude and responsibility is key to increasing the productivity of knowledge workers, and presumably also low-level service workers like Wal-Mart floor staff who are labelled "sales associates," not "workers," by their employers. Arguments similar to Drucker's appear in the recent articles from *The Globe and Mail* cited above.

Drucker promotes two methods, already in vogue, for increasing knowledge and service workers' productivity – teamwork and outsourcing. Following the common practice in management literature of using sports analogies, he discusses several types of teams that might be appropriate in different work contexts. While advocating notions of "Total Quality Management" and "flexible manufacturing," Drucker also tends to explicitly give more credence to the Scientific Management principles of Taylorism than most recent management literature does. Moreover, Drucker (*ibid*, 90) tells us: "Concentration on job and task is the last prerequisite for productivity in knowledge and service work." He argues for getting rid of any tasks that sidetrack or divert workers: "Eliminating such work may be the single biggest step toward greater productivity in both knowledge and service work." Using the case of health sector work, Drucker argues for an extreme division of labour by getting nurses, for example, out of everything but patient care.[15] They should be relieved of all paperwork and housekeeping duties, which should be outsourced to companies that specialize in such work and, therefore, have more stake in increasing productivity in those areas of work as well. It is interesting to compare Drucker's thinking to that of Magdoff and Sweezy cited above. We should

[15] The Disney Corporation has recently gotten into this business, with its human resources people delivering seminars to health care and educational institutions on how the successes of Disney can be applied to other service industries. Service users are no longer patients and students, but consumers or, in Disney's lexicon, "guests." So these industries can benefit from Disney's theory of "guestology." My own public educational institution has participated in these Disney workshops.

note as well that, at the same time Drucker was writing, critical authors were taking a quite different view of the restructuring that was going on in health care (for examples, see Armstrong *et al.* 1994; Armstrong and Armstrong 2008).

Drucker (1993, 93, 95) refers to the use of outsourcing to increase service workers' productivity as "revolutionary," stating: "Outsourcing is necessary not just because of the economics involved. It is necessary because it provides opportunities, income, and dignity for service workers." He further says the managers of outsourced companies "are willing, even eager, to do the hard work needed to improve productivity. Above all, they take the people who do such work seriously enough to challenge them to take the lead in improving their work and its productivity" (*ibid*, 95). But following Drucker's own description, this sounds like the old tactic of speedup, with case studies revealing much of this outsourced service work to be low paid and insecure, and providing little opportunity or dignity for the workers involved (Aguiar and Herod 2006; Pupo and Thomas 2009). Drucker himself defines this work as low paid and low skilled, and suggests that we need to narrow the gap between high paid, high status knowledge work and low paid, low status service work in order to avert "a new class conflict." But this is too often being done by lowering the pay and status of high-status work – sometimes creating more casual labour, other times exhorting unpaid overtime out of workers (Broad 2000; Broad and Antony 2006).

While noting that in the Taylorist notion of manufacturing work the worker serves the machine, Drucker (1993, 85) says:

> In knowledge work, and in practically all service work, the machine serves the worker. The task is not given; it has to be determined. The question, 'What are the expected results from this work?' is almost never raised in traditional work study and Scientific Management. But it is the key question in making knowledge workers and service workers more productive.

As I noted above, this signals a significant problem in applying the standard notion of productivity to service work, especially human services. Drucker's formulation is not very fruitful here, because he tends to conflate outcomes (results) with outputs, meaning the drive to increase the quantity of work done in a given hour of work, as with the standard definition of productivity, thus revealing that Drucker is not really envisioning a post-capitalist society. And despite the promise of the new technologies, they tend to be applied with the goal of increasing the

quantity of output, in both goods and services production, often displacing workers in the process. A common complaint by workers regarding use of the new technologies in workplace restructuring, as with the Japanese notion of "kaizen" (continuously striving for greater productivity), is that workers often find their efforts on work teams to be rewarded by management reducing the number of workers as output increases (Schenk and Anderson 1996, 1999; Huws 2003, 2006). This, of course, is just another form of speedup. Symptomatically, along with this, globalization has brought a revival of labour-intensive sweatshops and informal economy in the First and Third Worlds (Sassen 1998; Tabak and Crichlow 2000).

The Degradation of Labour

The year after Daniel Bell's *The Coming of Post-Industrial Society* was published came another book with a radically different reading of the emerging trends. This was Harry Braverman's (1974) *Labor and Monopoly Capital.* Braverman revisited Marx and Engels' theories about capitalist society and, using the subtitle of "The Degradation of Work in the Twentieth Century," observed that changes in production were not producing a qualitatively new form of society, nor was the lot of most workers becoming pleasurable and stimulating. Late 20th Century monopoly capitalism was, in fact, producing both old and new forms of degraded labour. There are still exploited blue-collar workers about, and many of the now numerically dominant service workers find themselves in degraded and/or deskilled job situations (Aguiar and Herod 2006; Pupo and Thomas 2009). Braverman's work was widely discussed and debated, initiating a new wave of marxian labour process and labour market studies. One thing that Braverman noted was the continuing adaptation in late 20th Century capitalism of the principles of Scientific Management developed by Frederick Taylor in the late 1800s. Braverman was successful in showing that the fundamental principles of capitalism still impacted structures of work. Too much work still involves alienated labour, with levels of stress and negative health outcomes running rampant (Rinehart 2006). In discussing the growth of "second jobs," Braverman (1975) also foresaw the casualization of labour as another means of cutting costs and increasing labour productivity, and the growth of this precarious employment has increased greatly since Braverman wrote about it in 1975 (Broad 2000; Pupo and Thomas 2009).

In addition to Marxist studies of work like that of Braverman, there came the emergence of social democratic responses to Bell's post-

industrial society thesis with the counterargument that "manufacturing matters," that the real base of productive growth is found in goods production, not services. One of the best-known works in this genre is Cohen's and Zysman's (1987) *Manufacturing Matters: The Myth of the Post-Industrial Economy.* This argument continues in debates about the real economy versus the paper economy (Stanford 1999).[16]

Turning to the much-celebrated impact of digital technologies on productivity growth, we see that the services have apparently contributed little. Sweezy *et al.* (2001, 6-7) cite studies showing "that the effect of digital technology on productivity was small on the whole; such advance as there was took place almost entirely in the manufacture of durable goods." They conclude: "The digital revolution certainly is a technological revolution with widespread effects; the important thing from an economic standpoint, however, is that it is not epoch-making, as in the case of the steam engine, the railroad, and the automobile."

There was clearly economic expansion in the 1990s based on both an increase in profit rates and investment in new information technologies. But, as Kotz (2003, 23) explains: "It was the historical reversal, after 1973, of the long post-Second World War trend of rising real wages, and its replacement by a trend of declining wages, that is the main factor accounting for the long-term rise in the rate of profits in the 1990s." He further argues: "Neoliberal restructuring between the late 1970s and the 1990s can indeed claim credit for this" (*ibid*). Neoliberal regimes reduced the bargaining power of workers by attacking trade unions, deregulating business and lowering barriers to international trade and investment. "This is not the aspect of neoliberalism that its advocates advertise, but it was effective in raising the rate of profit" (*ibid*). The profit rate increase was also assisted by cuts to taxes on capital, as part of the neoliberal shift of state functioning away from Keynesian social welfare to more explicitly promoting capital accumulation, including privatization and deregulation of the economy. Significant in this shift has been the aforementioned increasing financialization of capitalism (Magdoff and Sweezy 1982).

With neoliberalism, we are constantly being told that we must improve our individual and collective productivity to be more competitive on the global market. In the workplace this means constantly pushing workers to exceed production targets by "re-engineering" production processes. Meanwhile, neoliberal governments have shifted from the

[16] Internet web search reveals a variety of sites, supported by both business and labour, devoted to the theme that "manufacturing matters."

Keynesian era trend towards ensuring social rights to promoting individual "responsibilities," so that social assistance is being replaced by "workfare" as we all are being exhorted to increase our economic productivity (Broad and Antony 1999; Broad and Hunter 2009). We have witnessed a recommodifiction of labour and the state, which had been decommodified to some degree under the Keynesian welfare state (Esping-Andersen 1990; Teeple 2000). But with the constant push towards commodification of everything under capitalism (Wallerstein 1995; Broad and Hunter 2009), the market logic has been re-applied to the state under neoliberalism. So not just deregulation, privatization and contracting out occur, but the logic of private sector accumulation is applied to the public sector, as seen with New Public Management. Most recently, the attack on social welfare comes in the neoliberal push for austerity measures to pay for state bailouts of capital. Central to this is the drive to increase productivity in private and public sectors. At my own university the search for "efficiencies" has become very popular amongst the administration.

Productivity in the Social Services

It was noted in the discussion of Drucker's writings above that, despite cautions by critical analysts like Magdoff and Sweezy, the standard narrow notion of productivity commonly applied to the manufacture of commodities is often applied to production of services, including public services. What does this mean for the workers and the services they provide? Studies of technological change and restructuring of human service work in my home province of Saskatchewan, Canada and elsewhere lead to the conclusion that, despite frequent worker empowerment rhetoric, a top-down approach to increasing the output of workers per hour is generally used when employers talk about increasing productivity in the social services.[17] Here again, productivity is seen to be a quantitative process, not a qualitative one, with a focus on outputs not outcomes. It is not a matter of whether services people need are being provided well, so much as a matter of whether caseloads and costs have been reduced as part of the ongoing neoliberal state austerity agenda. We see here an

17 My discussion here is based on secondary sources cited below, and primary research. The primary data presented below is drawn from interviews with provincial and federal human service workers in the province of Saskatchewan, Canada inquiring into their conditions of work and how notions of productivity are applied to restructuring that work. This research was conducted in the early and mid 2000s. See, for example, Foley and Miller (2009).

extension of the application of Scientific Management principles to social service work. As Braverman (1974, 309) noted:

> From the beginning, office managers held that all forms of clerical work, not just routine or repetitive ones, could be standardized and "rationalized." For this purpose they undertook elaborate studies of even those occupations which involved little routine, scores of different operations each day, and the exercise of judgement.... In this way, management began to assert in the office its hitherto unused or sporadically exercised right of control over the labour process.

Beginning in the 1970s, observers noted that the labour process of human service workers was being restructured using Taylorist methods. Social workers, for example, found that their work was being paced and specific tasks classified according to "case characteristics" and "client types." Patry (1978) examined a pioneering venture along these lines that began in Texas in the mid 1970s, and has now spread throughout North America and Europe. In Texas, an industrial engineering firm, *Interlock,* was hired by the state government to restructure the work of social workers. The goal was, "in the words of its proponents, *an extension of the classical industrial definition of productivity (output over input) to the social services*" (*ibid*, 31). Patry (*ibid*, 35) says: "One of the engineers working on the project complained to me that presently workers 'show no respect whatsoever for productivity,' spending as much time as is needed to take care of an individual client's needs. Obviously, this had to be changed."

Similar to what Drucker advocated for nurses, *Interlock* went about restructuring by: (1) standardizing work methods, breaking it down into clerical functions and personal interaction between social workers and clients; (2) analyzing a number of "case characteristics"; (3) running a multiple regression analysis on the resulting data to discover processing time; and (4) developing a "case classification scheme" for classifying clients into four distinct groups with assigned processing times. The objective was to standardize the time workers devoted to particular clients according to the case classification scheme. The workers' time was further divided into "productive" and "non-productive" time, and charted on an "actual productive chart." Patry (*ibid*, 36) was told that the key to the study "was what was termed the 'Principle of Economic Motion,' that is, the shifting of low-level skills to clerks and the de-skilling and fragmentation of social worker functions." The overall goal was to cut costs by reducing the number of workers needed and by cutting caseloads. This approach has

since been applied across the human services, with the work increasingly made to fit the new computer programs, sometimes through call-centre services rather than person-to-person services.[18] And, as in many areas of work, harnessing workers to the new machines often means that they are being tied up in administrative machine-tending, at the expense of working with clients. In this regard, Drucker is certainly wrong that the application of new technologies to service work serves the workers.

With neoliberalism, this kind of state restructuring became standard practice in the 1980s and 1990s. Jones provides a case study of its impact on social workers in Great Britain under Margaret Thatcher, and continuing under Tony Blair's New Labour (Jones 2001). In addition to restructuring work processes along lines that Drucker would approve, British social workers have been subject to what Parker and Slaughter (1994), in their US-based studies of the re-engineering of work, call "management by stress." One result is that, with high caseloads and insufficient numbers of workers, harried workers require a seemingly inordinate number of sick leaves. Similar to the situation in health care discussed above, Jones (2001, 551) says:

> Social workers talked of how commonplace it was to see colleagues in tears. I heard stories of social workers throwing all their papers on to the floor and walking out, of people locking themselves in rooms or just disappearing from the office for hours on end. Going sick for some time each week or month seemed routinized in many agencies and was one of the most cited examples of a stress survival strategy.

Meanwhile, the work is increasingly being contracted out. One social worker told Jones (2001, 552):

> We are now much more office based. This really hit home the other day when the whole team was in the office working at their desks. We have loads more forms which take time to complete. But we social workers also do less and less direct work with clients. Increasingly the agency buys in other people to do the direct work and we manage it.

In our own interviews with social workers in Saskatchewan we have frequently heard the complaint: "We don't get to do social work, we just process people!" A study of the situation of social workers in three service

[18] We have seen this in the case of Saskatchewan, and in other jurisdictions as well.

agencies in Ontario revealed similar problems resulting from funding cutbacks and overwork (Baines *et al.* 2002). A community care worker in Britain told Jones (2001, 554):

> Social work is more and more about numbers with managers wanting to hit so many targets which involves turning cases over quickly. They want a case in, sorted and pushed out. We have many unallocated cases so there is great pressure on everyone to take the maximum number of cases. I think the emphasis on turnover is cosmetic, to make it seem that we are giving a service to the public. But we don't give anything. We have nothing to give.

Two themes arose in our interviews with state social workers in Saskatchewan: (1) their workload is too great; and (2) the department and, consequently, social workers' work is budget driven. When asked if they are finding less time to "do social work," one worker said: "Well, actually, management will say they are having us do more social work, that the caseloads have been lowered. My experience is that is not what the reality is. Yes, our caseloads may be a few lower, but administratively we are swamped." And, as with the British case, Saskatchewan social workers also cope with stress by taking sick leaves.

The neoliberal obsession with budgets has an obvious impact on all the social workers we interviewed. One said: "I think part of the reason we are swamped is that our department is driven by finance." Another commented: "The people making the policy changes have been removed from the front line so long they don't know reality. Their bottom line is money and stats and it doesn't filter down to us in what we need." A third noted: "They measure success by closing cases." Jones (2001) noted that British governments have been infatuated with the idea of getting welfare recipients into waged employment as quickly as possible, and this holds for Saskatchewan governments as well. One worker we interviewed said: "The focus is to get people out to work. But if there are no jobs for them after a certain period they will revert back to where they were." So, apropos of neoliberalism, it is not a quality outcome that is the measure of success, but a quantitative measure of the numbers of clients removed from the state's welfare roles.

Most recently, the Conservative government in Great Britain has begun an aggressive attack on the welfare state, part of its austerity drive to cut budgets and push service users onto the inhospitable labour market. Social workers in the UK are protesting these moves, both because of the impact on their work, and because of the erosion of services (Stringer

2010; Hamer 2010; Sorman 2010; McGregor 2010). In Saskatchewan, the conservative Saskatchewan Party government is busy instituting an austerity program using what it calls the "lean methodology," which fits with the New Public Management notion of government. In its March 2010 budget the Saskatchewan government announced a 15 percent cut to public service employment over four years. The negative impact on employment and ability of social workers in the province to deliver services will be obvious (CBC News 2010a; CBC News 2010b).

Unfortunately, neither frontline workers nor their clients are usually asked what should be done to improve human service workers' ability to provide quality public services (McKenzie and Wharf 2010). One of the participants in our study said: "We are surveyed to death and we are saying, 'Listen to the frontline staff,' and it is still not being done." As in the Texas case studied by Patry (1978), moves to restructure the labour process of these workers is a top-down process involving outside consultants with clearly quantitative notions of productivity superseding qualitative concerns with service delivery. This takes us back to the question of when the drive to increase productivity is ever satisfied.

Conclusion: How Much Is Enough?

The question that clearly arises is how much productivity is enough? This question becomes especially urgent in light of the global ecological crisis (Foster 2009). Some important work has been done in developing new ways to conceptualize an economy that would satisfy human needs and environmental sustainability. Suzuki (1989, 1998) has argued for utilization of economic indicators other than gross national product (GNP) or gross domestic product (GDP) as the measures for economic performance. He argues that we need a measure that does not focus just on economic growth in a quantitative way, but a more qualitative approach that includes calculating negative points for such things as environmental costs. Colman (1999; Colman *et al.* 1999) and others have argued that the old measures should be replaced by a "genuine progress indicator" (GPI), which takes into account paid and unpaid work and the question of whether human needs are being met.[19] Many authors in the sociology of work have argued that we need a socio-economic system that gives genuine priority to the needs of workers and their conditions of work. The imperative of our current socio-economic system for promoting

[19] These and other proposals were recently discussed by participants at the recent degrowth conference held in Paris in April 2008 (Kennedy 2010a).

accumulation of capital as its main goal tends to subvert attempts to articulate and implement alternative approaches to economic development. But there is continuing advocacy of more humanly and ecologically sensible approaches in fora such as the World Social Forum and the recent conferences on “degrowth” in Paris and Barcelona (Kennedy 2010a, 2010b). But, of course, Foster (2011) correctly asks if degrowth is even possible under capitalism.

As to the obsession with worker productivity, we must stress that people do not have solely work lives, but personal lives as well. Most people do not consciously choose to "live to work," but would rather "work to live." However, this notion is contrary to the neoliberal ideals of our current socio-economic system, in which people are viewed only as "economic beings" – as producers and consumers. This notion is taken to the extreme in an article on homelessness published in the *Journal of Business Research,* wherein homelessness is seen to be a problem primarily because the homeless make poor consumers (Hill 1994). But what if we suggest that human beings are not "born to shop"? This, of course, is a question that cannot be entertained within the dominant ideology that, along with giving us the Protestant work ethic, construes human beings as *homo consumens.* Baran and Sweezy (1966) wrote about the incredible waste under monopoly capitalism, and Magdoff and Sweezy repeated this theme in the articles on productivity cited above. Braverman (1974) wrote about the expansion of “the universal market,” and Wallerstein (1995) has referred to the ongoing “commodification of everything.” In the mid-1970s social psychologist William Leiss (1976) published a penetrating study entitled *The Limits to Satisfaction,* on the growing inability of people to distinguish *wants* from *needs* due to the constant barrage of advertising and marketing. Since the mid 1970s this issue has become even more problematic, to the detriment of humanity and the planet. We should note, of course, that capital has been quick to jump on this issue and launch a wave of green marketing (Dardozzi 2010).

It has been noted before that capitalism is an irrational system, with an ideology that both veils the true purpose of production in capitalist society, and forecloses discussion of alternatives (Baran 1969; McChesney and Foster 2010). Based on the conceptual work of Marx and Engels, Colletti (1972) explains how ideological systems have been used historically by ruling powers to obfuscate the manner in which hierarchical social structures benefit the dominant classes through exploitation and oppression of the working classes. In this sense, true liberation would include removing ideological structures so that patterns of social relations

are apparent. This is one of the significant challenges facing us, particularly in the mature capitalist countries where people have been so bought into the capitalist market system. Amin (1980) discusses how people are subject to economic alienation under capitalism. So a process of disalienation is required for human liberation.

An important thing we need to do is point out the historical specificity of capitalism. In the long run of history, the drive to work longer hours and produce increasingly more is a relatively recent phenomenon, a product of capitalism and its Industrial Revolution. Prior to the Industrial Revolution people worked long hours in certain seasons, but also had slack times. In fact, habituating people to wage labour and punching the clock was a long coercive process that entailed a good deal of what is now called social re-engineering by some authors.[20] Some would argue that the increases to production brought by the Industrial Revolution initially did require increasing labour intensity and longer hours of work, though others question this notion (Noble 1995). But with the current global capacity for production, the idea that people need to work harder, and often overtime, is ludicrous. This is especially evident when we see production increases continue alongside increasing unemployment and underemployment – what has been called "jobless economic growth" (Barnett 1993). The ILO has declared this to be one of the most significant outcomes of the most recent recession, along with the inferior quality of much work throughout the world.[21]

Since we are now able to produce phenomenally more goods and services with fewer workers due to new technologies, perhaps it's finally time to follow Paul Lafargue's (1883) lead and propose something a bit off beat. Why don't we all work *less* and produce *less*? Let's *all* work part time, but on *our* (i.e. human) terms. Is this a crazy idea? In the current political-economic climate it would seem so. But in the long run of history it makes perfect sense. It's time to redefine notions of productivity, and show that current notions of working time as "standard" and "non-standard" are historical constructs and not written in stone. In Europe, trade unions have presented the demand for a four-day workweek as an extension of the historical struggle for shorter hours (Hayden 1999, 2003). Labour in North America is a bit behind in this struggle, but the idea has gained interest.

Perhaps the current dilemma is one of a loss of human(e) values. We are constantly told by business leaders and governments that we

[20] On habituation of workers to the clock see Thompson (1967) and Menzies (2005).
[21] See the ILO website, www.ilo.org, for various statements and studies of these issues.

cannot do this or that, or cannot afford this or that, because of the economy. This cry has reached fever pitch with the current neoliberal push for austerity. Former Canadian Prime Minister Paul Martin once told us that governments must cut their spending because having deficits violates "the laws of capital markets" – as if these are natural laws akin to the law of gravity.[22] But they are not. Economies and economic laws, if they exist, are human inventions. They serve (at least some) human purposes. And if they are not serving us well, we can change them, and develop new ways of doing things.

If human values are to be central to our model, the economy must be re-invented. We must begin to ask once again why we work. Work must be seen to have value beyond producing commodities for profit. We must see work as a means to improve our *human* lives. So work must be socially useful, not harmful, and must have intrinsic value. There are plenty of academic studies and government reports that recognize this issue and articulate alternatives, but it takes political action and political will to see results in practice.[23]

As for public services, we need to re-assert the idea of social welfare and the global commons. Our goal should be to enhance the role of government in promoting social development and well-being. This means countering neoliberalism and developing new policy and programs to deliver better education, health care and social services for the public. For human service workers, this implies being genuinely involved in the planning and development of services, and providing sufficient personnel and resources to deliver *quality* services. In response to neoliberal objections that we cannot afford to do so, we must reply that governments seem to be able to find plenty of resources to give financial assistance and tax breaks to corporations, to build armaments and fight wars, and to "explore" outer space, while global space and human inner space is too often allowed to fester and decay.

The central problem in promoting social change is one of dealing with the *structure* of the capitalist world system with its new international division of labour. We must keep in mind that it *is still* a capitalist socio-economic system, not some post-industrial or post-modern utopia. It is the incessant drive to accumulate capital inherent in this system that says we have to produce more, faster, and at lower costs of labour and resources,

[22] *The Globe and Mail,* 18 October 1994.

[23] In Canada we have seen countless government commissions and reports that too often sit and collect dust.

with no apparent end in sight. Under capitalism the question of "how much is enough" has no answer. But since circa 1970 we have been in a structural crisis of the world capitalist system. At present, right-wing political economic tendencies prevail in the world system, but the crisis opens windows of opportunity for those on the left.

Wallerstein (2011) says we are currently witnessing a contest between two forces. One includes proponents of the spirit of Davos (the World Economic Forum), who want a different system, but one that retains the essential features of capitalism – hierarchy, exploitation and polarization. The other includes proponents of the spirit of Porto Alegre (the World Social Forum), who want a relatively democratic and relatively egalitarian system. Taking the side of the second group, Wallerstein (2011, 37) suggests some short-term and medium-term actions we can take: "In the short term, one consideration takes precedence over all others – minimize the pain." This means doing all we can to help those suffering under current conditions. At the same time, we need to maintain the five medium-term goals of (1) emphasizing serious intellectual analysis, and not just by intellectuals, (2) rejecting economic growth and replacing it with decommodification, (3) creating local and regional self-sufficiencies as part of an "alterglobalization" movement, (4) ending the existence of foreign military bases and stopping waste of the world's resources on military uses, and (5) ending fundamental social inequalities. He notes, of course, that everything is contingent upon avoiding the "pending supercalamities" of irrevocable climate change, vast pandemics, and nuclear war (see also Wallerstein 1998; Amin 2008, 2011).

In promoting fundamental social transformation we must focus on *quality* of life, not *quantity*. We must begin with the question "What are we producing and why?" In opposition to capitalism, we must advocate an economy that promotes human needs without putting undue stress on the natural world. In short, a *socialist* economic program is required to develop ideas such as those discussed above. Others have outlined suggestions for carrying out such a program that are worth considering. Developments in countries such as Cuba, Venezuela and Bolivia regarding social priorities and sustainable development are encouraging (Hart-Landsberg 2010). Ultimately, as these and other cases show, improvements in living and working conditions will result from the struggles of social movements fighting for social rights. And this will require creation of a genuinely new economy that favours people and their environment over production for the sake of production and consumption for the sake of consumption. It is

clearly past time to replace the growth-oriented model of capitalist production with a model of ecological and humane sustainable production.

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SPECIAL ISSUE ON ORGANIZING FOR AUSTERITY: THE NEOLIBERAL STATE, REGULATING LABOUR AND WORKING CLASS RESISTANCE

The 'Great Recession,' the Employers' Offensive and Canadian Public Sector Unions

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Abstract
The global economic crisis and its effects have changed the context for public sector unions in Canada. There is evidence that an intensified offensive against public sector unions is beginning. Few public sector unions are prepared to respond adequately to such an offensive, as the important 2009 strike by Toronto municipal workers illustrates. In this more difficult context, change within public sector unions is increasingly urgent. The most promising direction for union renewal lies in the praxis of social movement unionism. However, there are very few signs of moves to promote this approach within Canadian public sector unions.

Résumé
La crise économique globale et ses effets ont changé le contexte pour les syndicats du secteur public au Canada. Il y a des signes qu'une attaque violente contre les syndicats du secteur public a commencé. Peu de syndicats du secteur public sont prêts à répondre dans une manière satisfaisante à cette attaque, comme le montre la grève importante des travailleurs municipaux à Toronto en 2009. Dans ce contexte plus difficile, des changements au sein des syndicats du secteur public sont de plus en plus urgents. La direction la plus prometteuse pour une renaissance syndicale est la pratique d'un syndicalisme de mouvement social. Toutefois, il y a très peu d'indices que les syndicats du secteur public au Canada s'inscrivent dans une telle approche.

Keywords
Canada; public sector; unions; union renewal

Mots clés
Canada ; secteur public ; renaissance syndicale ; syndicats

The global economic crisis, the ensuing responses from all levels of government and the development of a political climate more favorable to the neoliberal project of restructuring the public sector have changed the

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context for public sector unions in Canada. There is evidence that governments and other public sector employers are beginning to conduct an intensified offensive against public sector unions. This offensive will likely feature not only freezes for wage and benefit costs but also other concessionary demands and job cuts, along with new efforts to restructure the public sector. Few public sector unions are prepared to respond adequately to a more aggressive employers' offensive, as the important strike of Toronto municipal workers in the summer of 2009 illustrates. This highlights the increasingly urgent need for efforts to bring about change within public sector unions. But what kind of change is most appropriate in these circumstances? Union renewal always involves the cultivation of a particular mode of union praxis. Currently, most Canadian public sector unions continue to practice social unionism. Three alternative modes of union praxis present themselves as potentially more effective: corporate unionism, mobilization unionism and social movement unionism. I will argue that the most promising alternative is social movement unionism. However, there are at present very few signs of moves to promote this approach within Canadian public sector unions, for reasons that will be briefly considered.

Neoliberalism, Public Sector Restructuring and the 'Great Recession'

The global economic crisis that began in 2008 – the worst crisis since the Great Depression of 1929-1939 – has been a crisis of capitalism in its neoliberal form. Neoliberalism is best understood as a project for reorganizing capitalism in response to the global economic crisis of the mid-1970s. That crisis exposed the limits of the Keynesian-compromise organization of capitalism that had taken shape after the Second World War and provided the framework for the uniquely sustained period of expansion that followed, one of whose features was a major expansion of the public sector (McNally 2011). As Alfredo Saad-Filho and Deborah Johnston (2005, 3) have argued:

> Although every country is different, and historical analysis can reveal remarkably rich details, the overall picture is clear. The most basic feature of neoliberalism is the systematic use of state power to impose (financial) market imperatives, in a domestic process that is replicated internationally by 'globalisation.'

The neoliberal project has driven the restructuring of the public sector that has been taking place across the advanced capitalist countries

for the last three decades. This restructuring is associated with the ideas of New Public Management (NPM), but it is not persuasive to assess the changes within NPM's own terms, "as being primarily concerned with efficiency, effectiveness and economy" (Carter 2006, 148). The essence of public sector restructuring is an effort to reconstruct the broad welfare state form of public administration developed during the long post-war boom in order to reorient the public sector towards supporting economic competitiveness under neoliberal capitalism (Camfield 2007; Carter 2006). This process can be analysed as the construction of "lean states," states better-suited to remaking societies in the age of lean production (Sears 1999). The degree to which this has actually taken place has varied widely across the advanced capitalist countries (Carter 2006).

To the extent that it has taken place, the construction of lean states has been harmful to the users of public services, public sector workers and their unions. Unfortunately, research on public sector workers has suffered from the broad intellectual trend identified by Perry Anderson (2010, 6): "Studies of the working class anywhere in the world, once a staple of history and sociology, have declined along with labour movements as a political force." However, such recent research on public sector workers in Canada as has been published continues to confirm the negative impact on workers of neoliberal work reorganization. For example, Norene Pupo and Andy Noack (2009, 2010) have shown how the federal government's creation of Service Canada call centres has been experienced by most call centre workers as having created a more stressful, speeded-up work environment in which they are subjected to harsher management and less able to deliver quality public service.

This is not the place to examine contending accounts of the causes and dynamics of the economic crisis, important though they are.[1] But it is vital to note that one consequence of this crisis has been a rapid growth of state debt in the advanced capitalist countries. The cost of the neoliberal remedy for capitalism's crisis -- bailing-out failing financial firms and engaging in stimulus spending to prevent the crisis from becoming a catastrophic collapse -- has been estimated at approximately $20 *trillion* (McNally 2011, 2-3). This unprecedented intervention to shore up global capitalism, along with falling tax revenues and higher welfare costs caused by the recession, have driven up debt to GDP ratios in the advanced capitalist countries. While economic predictions of this kind often turn out to be inaccurate, the International Monetary Fund's (IMF 2010, 7) estimate

[1] Of the explanations offered thus far, I find McNally 2011 the most persuasive.

in February 2010 was that across the G-7 countries "large fiscal deficits, reflecting cyclical factors, financial support measures, stimulus packages, and underlying structural spending pressures are expected to raise the general government gross debt-to-GDP ratio to about 120 percent in 2014, from around 80 percent in 2008."

For partisans of neoliberalism, for whom deficits are anathema (at least in principle), the rapid growth of debt is a nightmarish scenario. Neoliberal opposition to budget deficits has several rationales. One is the straightforward desire to weaken social programs and the public sector in order to reinforce the subordination of the state and workers to "the power of money" (Clarke 1988, 356). Restraining deficits serves to limit any moves to enlarge the public sector or redefine it in ways that would be advantageous to workers. A second is that deficits are alleged to cause inflation.[2] Inflation is demonized by neoliberals for a variety of reasons. It squeezes the real value of revenue flows derived from interest payments, thereby reducing the profitability of financialized capital. Inflation could, hypothetically, lead to spiraling wage demands from workers, although the current conditions of wage-earners and unions in the advanced capitalist countries do not lend credibility to a scenario of rising wage militancy. Higher levels of inflation would also allow less-competitive firms to take advantage of fluctuating prices of inputs and outputs, thereby allowing them to survive without investing in the newest forms of work organization and technology. A third anti-deficit rationale is concern about the "crowding-out effect," by which public sector borrowing forces up interest rates, to the detriment of private investors, although this argument has receded in recent years. While neoliberal ideology is important in explaining deficit-reduction policies, such policies are not simply the result of its influence. States are also subject to material disciplinary pressures to cut spending exerted by speculators through international markets for bonds, which states must sell in order to finance deficit spending, and also through currency markets (Camfield and Serge 2010).

For these reasons, then, deficit-slashing is high on the political agenda across the advanced capitalist countries, including Canada (Albo and Evans 2010). The IMF projects that Canada's debt to GDP ratio for 2011 will be the second lowest of the G-7 states (IMF 2010, 20). However, the IMF calculation combines federal and provincial government debt; the Canadian federal debt to GDP ratio is, in fact, by far the lowest in the G-7 (McClearn 2010). Nevertheless, deficit reduction became prominent in

[2] For a critique of this and related ideas, see Beitel 2010.

federal and provincial politics in 2010. Cost-cutting has also become a major political theme at the municipal level.

The implications of deficit-reducing fiscal policies for the public sector are clear. Neoliberal measures to reduce debt and deficits will draw on a well-established repertoire that includes freezing or reducing labour costs, cutting jobs, various forms of privatization (including contracting-out and Public-Private Partnerships) and the simple erosion or elimination of services. Neoliberal deficit-slashing packages are being implemented in a growing number of US and European jurisdictions, with California and Greece at the forefront (Albo and Evans 2010). In addition, the influence of the idea that deficits and debt must be reduced contributes to an ideological climate that is more hostile to the public sector. In such a climate it is easier for governments to redesign the public sector in neoliberal ways.

Canadian Public Sector Unions: Into a New Phase of the Employers' Offensive

What lies ahead for public sector workers in Canada in this economic and political context? Public sector workers have long endured an employers' offensive that began in the second half of the 1970s with the federal government's wage control program and its 1978 confrontation with the Canadian Union of Postal Workers (CUPW). The intensity of this offensive has ebbed and flowed through what Joseph Rose has periodized as years of "restraint" (1982-1990), "retrenchment" (1990-1997) and "postretrenchment" (1998 on) (Rose 2007). In my view, the Great Recession brought the postretrenchment phase to an end, opening a new period of austerity whose severity will be determined by the interplay of capital accumulation, state policy, capitalist initiatives directed at the public sector and worker resistance.

Here it is important to underscore that cost-reduction is not the only goal being pursued by governments and other public sector employers. Neoliberal public sector restructuring has never been solely or even primarily about containing or reducing state spending. It has also involved efforts to modify the form of state power, building lean states that can reshape society in the interests of competitiveness. In addition, opening up the still-sizeable public sector to profit-making firms has been an aspect of restructuring. For example, in Canada "the public health care system offers enormous untapped potential for profitability and is thus subject to ever-proliferating varieties of privatization" (Whiteside 2009, 95). All these dimensions of neoliberal restructuring will be at play in the period inaugurated by the Great Recession.

I believe it is futile to attempt to prepare any kind of forecast in detail about the new period. It is also essential to appreciate that governments, rightly fearful of reversing the beginnings of a recovery from the depths of the Great Recession, have not yet begun to implement major deficit-reduction or other restructuring measures. With this in mind, a number of recent experiences involving large groups of workers illustrate important challenges now facing public sector unions:

- In February 2010, faculty at Ontario's community colleges, represented by the Ontario Public Service Employees Union (OPSEU), voted by 51 percent to accept the employer's offer which OPSEU officials had urged them to reject. The three-year contract ratified was similar to terms that had been imposed by the employer, and included concessions on workload, inflexible time limits on grievances and supervision of work during non-teaching periods (OPSEU 2010).
- In March 2010, a new two-year contract covering the 48,000 BC health support workers represented by the multi-union Facilities Bargaining Association (mostly members of the Hospital Employees Union (HEU)) and recommended by HEU leaders was ratified by a vote of 77 percent. It contains a loss of two days vacation time, and no pay increases for most workers (HEU 2010). This is one of the settlements reached as part of the BC government's Early Contract Discussions (ECD) approach, which involves offers that include a measure of job security for unions that agree to two-year deals that contain no compensation increases. The contract for the multi-union community health sector and the BC Government and Services Union's contract for provincial government employees have also been settled on this basis. The threat that workers whose unions reject the ECD framework will face contracting-out has been a factor in encouraging acceptance of the ECD approach.[3]
- Also in March 2010, the federal budget signaled that "starting with budget 2011, they [the Conservative government] will not only act on PS [public sector] pensions, they also intend to extend the PS wage freeze in addition to finding ways to reduce the size of the PS by eliminating whole programs (job cuts). Needless to say, those plans imply a serious deterioration in working conditions" (McDougall, Powell and Duranceau 2010, 2).

[3] E-mail from HEU staffer, 30 March 2010.

- Officials of the Public Service Alliance of Canada negotiated a narrowly-ratified contract covering 95,000 federal government employees that gave up severance pay for workers voluntarily leaving their jobs in order to gain wage increases that were still below the rate of inflation.[4]
- The leaders of the Common Front of Quebec public sector unions (with the exception of the *Fédération interprofessionnelle de la santé du Québec* (FIQ)) and the Quebec government agreed to a five-year deal with wage increases of between seven and 10.5 percent over five years (barely above the rate of inflation) (Mandel 2010).
- The Ontario government is pursuing a policy of no compensation increases for two years for workers in the broader public sector (CUPE Ontario 2010).
- Despite having only struck briefly on two occasions in the last decade, members of the Amalgamated Transit Union at the Toronto Transit Commission had their right to strike removed by provincial legislation early in 2011.[5]
- Canada Post's "Modern Post" plan involves significant changes to labour processes that have negative effects on workers. In the negotiations for CUPW's main bargaining unit underway when this article was finalized (March 2011), Canada Post was demanding large concessions from current employees and even larger give-backs for future hires.[6]

Although no comprehensive studies of public sector collective bargaining or restructuring since the start of the Great Recession have yet appeared, these and other recent experiences suggest that many public sector unions are facing demands for contract concessions and restructuring measures which they are unable to repel. Public sector unions seem generally ill-equipped to contend with the attacks they are likely to face in the years ahead from employers who see them as obstacles to fiscal austerity and public sector "reform." This union weakness, not a new development (Camfield 2007), will become more pronounced to the degree to which employers become more aggressive in the new period of austerity. To help

[4] "PSAC accepts deal – barely." *Ottawa Citizen,* 2 December 2010.
[5] "Banning transit strikes is a bad idea." *The Globe and Mail*, 23 February 2011; "Labour cries foul as province moves on TTC strike ban." *The Globe and Mail*, 3 March 2011.
[6] As documented on the union's official website and at theworkersstrugglewiththemodernpost.blogspot.com, a site created by CUPW militants.

illuminate the current condition of public sector unionism and challenges it faces, it is useful to examine the Toronto municipal workers' strike of 2009 in detail.

The Toronto Municipal Strike of 2009[7]

Over 24,000 Toronto municipal government employees, members of Canadian Union of Public Employees (CUPE) Locals 79 and 416, found themselves on the picket lines from 22 June to 29 July 2009. This was an important strike. It involved the largest union (CUPE), its largest local (Local 79), in the largest city in the land. Much as the CAW's high-profile 2009 deals with GM, Chrysler and Ford helped set the tone for how private sector unions would respond to demands for concessions during the economic crisis, this strike sent signals to workers and employers across the public sector and beyond. It was precipitated by the major concessions demanded by the employer, supposedly because of the City's dire fiscal circumstances (the City's budget surplus of $350 million announced in March 2010[8] is reason to doubt this justification).[9] Most concessions were fended off, although the settlement granted the employer some of the changes to sick leave provisions that it wanted, by giving up the existing plan for all future hires. However, when the strike is examined with an eye to the future of public sector unionism, the conduct of the strike and its political consequences stand out as more important than the settlement.

In the only joint strike bulletin issued to members during the 38-day strike, the two local presidents wrote "When we entered collective bargaining early this year, we did not imagine that you would be walking picket lines by summer" (Dembinski and Ferguson 2009). This attitude persisted right up until the walkout began. Local leaders refused to mobilize for a possible strike.[10] Nor did they clearly explain to members the issues on which they were refusing to give concessions.[11] There was an almost complete absence of communication between the locals' leaders and striking workers during the strike. Dedicated members worked hard to keep the strike running at the most basic level, but picketers usually had no leaflets explaining what the strike was about to distribute to passers-by. No

[7] This section draws on Camfield 2011.
[8] "David Miller's $100 million defence." *TheStar.com*, 10 March 2010
[9] Only $31 million of the surplus came from money not spent on the labour costs of the striking workers ("Surplus helps city balance budget." *TheStar.com*, 17 February 2010).
[10] E-mail from Julia Barnett to author, 28 June 2009.
[11] Julia Barnett to author, telephone communication, 23 August 2009.

membership meetings of any kind were held. Strikers were left feeling isolated and in the dark (Barnett and Fanelli 2009, 27).

The corporate media were filled with hostile coverage of the strike. The unions were portrayed as greedy and unrealistic for trying to defend paid sick day provisions in their contracts that were better than those of most workers. The fact that these provisions had been agreed to by their employer in exchange for monetary concessions by the unions in the past was almost never mentioned. This contributed to what Thomas Walkom described as the "unusual... visceral level of hostility against the strikers that emerges in casual conversation: The workers are uppity; they are already paid too much; they should all be fired."[12] In the face of this barrage, the top officers of CUPE 79 and 416 provided no leadership. They did very little to rally members' resolve and counter the wave of hostile accusations. They did even less to make a case for why defending municipal public sector jobs was in the interest of all working people in Toronto, particularly women and workers of colour (a clear majority of the strikers were women and/or people of colour). It fell to Linda McQuaig to make the public case that the unions were "holding the line against employers taking advantage of the recession to demand concessions (if unions simply give in, emboldened employers will go for more), and taking a stand against further erosion of public services."[13] Strikers were never brought together in large marches, rallies or other mass actions that could have bolstered morale and, if they had disrupted business as usual on the streets of Toronto, applied pressure on the employer to settle the dispute on favorable terms.

For those familiar with CUPE 79 and 416, the conduct of the locals' leaderships did not come as a surprise. One former member who was fired as a result of his determined union activism described Local 79 as "very passive and very reluctant to engage in struggle."[14] It is known for "really bureaucratic... management-style unionism," with a leadership that does not foster involvement and is happy "to be able to run the local without the interference of the membership."[15] In 2002 the executive committee's resistance to mobilization and insistence on tightly controlling union affairs led to the resignation of almost the entire strike committee just months before a strike by Locals 79 and 416 that was ended by back to

[12] "Striking city workers a convenient target." *TheStar.com*, 27 June 2009.
[13] "Rich cause the crisis, workers get the blame." *TheStar.com* , 16 July 2009.
[14] Interview with Stan Dalton, 2003.
[15] Interview with CUPE 79 activists A2 and A3, May 2004.

work legislation (White and Barnett 2002, 27). In 2009, the top officers of both locals appeared convinced that negotiations would end in a settlement without a strike because they had spent a considerable amount of money and mobilized many volunteers to support the 2003 election and 2006 reelection of Mayor David Miller and to back city councillors aligned with Miller.

Enthusiastic support in the labour movement for Miller was certainly not limited to the leaders of CUPE 79 and 416. In May -- when employer demands for a host of concessions from Locals 79 and 416 were on the bargaining table ("Recession" 2009) -- Miller had been welcomed at the Stewards' Assembly organized by the Toronto and York Region Labour Council (TYRLC). Those present at the assembly promised to "Work Hard to Renew Solidarity," endorsing a Solidarity Checklist that said, in part, "Helping each other in key struggles will be essential if we want to uphold the quality of life in greater Toronto" (*Stewards* 2009, 7).

The municipal workers' strike was nothing if not a key struggle. Yet most union leaders in Toronto did not treat it as such. There was a "lack of concerted mobilization efforts" (Barnett and Fanelli 2009, 27). TYRLC president John Cartwright's ties with the mayor and his supporters on city council were one reason why the TYRLC leadership did not do everything possible to help the strike win. Desperate for a "friend in city hall," too many in Toronto labour chose to remember only Miller's rhetoric about social justice and not, for example, his 2006 pledge to continue to cut municipal business taxes "every year for the next 15" (Miller 2006). Despite the leading role on Miller's 2003 and 2006 election teams of Conservative organizers including John Laschinger and Liberal insiders such as Peter Donolo,[16] few in the city's unions recognized him for what he was: a wily politician who welcomed their support but had no intention of taking the side of the working class in Toronto due to his "alliance with – and even greater fiscal and economic dependence upon – major corporate and financial interests, including many of Canada and North America's most powerful corporations" (Albo and Rosenfeld 2009).

The strike revealed much about the state of public sector unions in Canada's largest city. Although the striking unions were not lacking in numbers, money or strike experience -- Local 79 had struck in 2000 and both locals had struck at the same time in 2002 -- both were notably ineffective. The top officers and staff of the locals, committed at best to a

[16] "Mayor's team waiting in wings for election campaign to begin." *The Globe and Mail*, 17 October 2005: A10.

timid and conventional kind of social unionism, had not readied members for a fight. Nor had they done much to build unity between members of the two locals and their various bargaining units. Trained in the routines of grievance handling, arbitration, meetings with managers, union administration and campaigning for "friendly" politicians, they proved utterly unable to formulate a strategy for victory, devise creative tactics, motivate members and make a compelling case to other workers about why they should support the strike. Instead, they ran the strike as if the strikers themselves mattered little and the rest of Toronto's working class was irrelevant, squandering the most important potential sources of union power.

For their part, many rank and file strikers displayed much endurance and loyalty to the unions despite the poor quality leadership they received. There were also many indications of how workers were affected by belonging to unions that operate in routinized bureaucratic ways, discourage membership involvement, and do little to educate and mobilize members. Striking workers did not act as an articulate force to try to influence what other people thought about the struggle and the issues at stake. Picket lines were often token, passive and dispirited. At sites where both locals had picket lines there were sometimes tensions between members of Locals 79 and 416. There were very few independent initiatives by striking workers during the dispute.[17]

The morale of striking municipal workers was affected by their isolation from other workers in the city. The strike revealed just how many workers, feeling acutely insecure about their own jobs and fearful of how the economic crisis would affect them and their families, were quick to respond with hostility to public sector workers defending past gains. This kind of response is not natural or automatic, but the result of the forces of labour market competition outweighing class solidarity. The attitudes that led so many Torontonians to blame the city's workforce for the strike have been actively cultivated. For years most politicians, journalists, economists and other "experts" whose opinions are carried through the corporate news and entertainment media have repeated time and again that workers must give up past gains. The onset of the global economic crisis in 2008 only made such calls more emphatic. Years of increased insecurity in people's lives and saturation in neoliberal ideology – with little resistance

[17]These observations are informed by conversations during the strike with CUPE 79 activist Claudia White, another member of CUPE 79 who prefers anonymity and CUPE 1281 member Sheila Wilmot.

from most unions or other social movements or political forces – have had a real impact on the working class. Elementary social solidarity has been corroded. Many people react with anger at those who seek to defend rights, benefits or wages that are better than what they themselves enjoy, rather than wishing them well. Although the strike was not without support in the region, it was the hostile response that was strongest in Toronto during the summer of 2009.

Strikes can be important experiences that change those involved and generate energy for union renewal.[18] However, this was not such a strike. It could only be demoralizing to spend weeks picketing with almost no information about what was happening in bargaining or on other picket lines, with no inkling of a strategy to try to bring the strike to a successful end and without ideas and inspiration to challenge hostile claims and encourage perseverance. Deprived of any opportunity to democratically shape how the strike would be run, Toronto municipal workers were given no reason to think of their unions as *their* organizations.

Nor did the strike bring municipal workers and other workers in the city closer together -- far from it. As two CUPE 79 members put it, "The strike was a political failure when it came to mobilizing sustained action and education, garnering public support as well as linking the defense of unionized jobs with fighting for workers in non-unionized jobs, the underemployed and the unemployed" (Barnett and Fanelli 2009, 28-29). This made it easier for right-wing populist candidate Rob Ford to channel "concerns about particular public services against city workers, and the idea of the public sector as a whole" (Saberi and Kipfer 2010) as part of his successful run to become the mayor of Toronto in 2010. Ford threatens to put the City of Toronto at the forefront of the offensive against public sector unions; his victory led to the city council motion requesting the removal of the right to strike from Toronto's public transit workers, a request to which the provincial government readily acceded.

This strike illustrates two major dilemmas of public sector unionism today. First, a timid and conventional social unionism with a low level of membership participation, a lower level of democracy, an aversion to mobilizing members and no orientation towards a broader popular struggle against neoliberalism is very poorly suited to cope with the challenges of the new period inaugurated by the Great Recession. Such

[18]This has been neglected in academic work on union renewal but has recurred in my interviews and discussions with union activists (for example, former CUPW member John Friesen, 19 November 2008).

unionism characterizes many public sector unions today (Camfield 2007; Ross 2008). Second, in the context of an increasingly insecure neoliberal social environment public sector unionists defending past gains can expect to encounter significant hostility from many other workers With this in mind, let us turn to the question of union renewal.

Renewal in Public Sector Unions[19]

There is broad agreement among researchers about the importance of union renewal (Kumar and Schenk 2006). But there is no unanimity about what union renewal means; it is a field of discussion in which there are a range of viewpoints about how unions should change and what their objectives should be. There are different perspectives on how unions should change and what their strategic objectives should be. All contributions to the union renewal discussion explicitly or implicitly advocate particular modes of union praxis. For this reason, explicitly putting the question of what kind of unionism can and should be practiced at the centre of discussions of union renewal helps to clarify proposals designed to address the challenges unions face today.

Unions are complex, many-sided organizations and every major union has its own specific features that have developed historically. Nevertheless, it is possible to identify distinct patterns of union activity and ideology, or modes of union praxis (Camfield 2007). In Canada today, five modes exist: business unionism, corporate unionism, social unionism, mobilization unionism and social movement unionism.[20] For the sake of clarity about the meaning of these concepts as used here, I will briefly summarize each.

Business unionism has a narrow focus on collective bargaining for members of the union and adopts a generally cooperative approach to dealing with employers. It accepts capitalist society as it exists today; at most its supporters advocate small changes in law and policy. If the union gets involved in political action, this will be limited to parliamentary politics. Involvement with 'the community' is limited to charity. For business unionists, unions should be run from the top down by officers and staff, with little membership involvement. This approach is practiced in many public sector unions, including those in which social unionism is dominant.

[19]Some material in this section draws on Camfield 2011.

[20]This conceptualization differs from that offered in Camfield 2007, which failed to distinguish corporate unionism from mobilization unionism.

Corporate unionism is the term coined by Kim Moody in his important analysis of the approach developed by some US-based unions such as SEIU and UNITE HERE (Moody 2007). It is "a step beyond business unionism" that advocates highly centralized, staff-driven and even less democratic unions. It combines an energetic commitment to bring more workers under collective agreement coverage with an "almost religious attachment to partnerships with capital" and an "essentially administrative" vision (Moody 2007, 196). This mode of union praxis has only a slight presence in the public sector in Canada.

Social unionism is distinguished from business unionism by its greater concern for social and political issues not directly related to the workplace and its more critical attitude to neoliberal policies. Social unionists are often but not always non-confrontational in their dealings with employers and governments and wary of greater militancy and democratic membership control. Social unionism is commonly practiced in public sector unions (Ross 2008).

Least common in unions today are two alternative approaches, both of which are practiced by small numbers of activists in public sector unions today. *Mobilization unionism* involves taking a militant stance towards employers and commits unions to working for social change alongside community groups. It treats extra-parliamentary political action as important. Its supporters work to increase membership participation in their unions but do not advocate a much greater level of union democracy. This mode of praxis is called "social movement unionism" by some researchers (e.g. Fairbrother 2008). However, doing so errs in not distinguishing between this kind of unionism and another for which the term social movement unionism should be reserved (Camfield 2007).

Social movement unionism is committed to militancy and solidarity among unions and between unions and other social justice organizations in a struggle for progressive social change that involves extra-parliamentary action. It is distinguished from mobilization unionism by the centrality given to democracy. Supporters of social movement unionism believe that unions should be run by active memberships and see democracy as key to building workers' power. [21]

Taking the contemporary political-economic context seriously suggests that the question that should be at the heart of discussions of public sector union renewal is this: what kind of unionism will be most

[21] Fletcher and Gapasin 2008 make a case for mobilization unionism; Moody 2007 argues for social movement unionism.

effective in defending workers' pay, benefits and rights, public sector jobs, union organization and public services against the neoliberal restructuring that is likely to intensify in the new period of austerity? In considering this question, it is important to bear in mind that for workers' concerns to be channeled into efforts for union renewal, rather than into competitive individualistic strategies for getting by, it is necessary for workers to see unions as organizations that have the potential to make positive change in the workplace and as *their* organizations, for whose activity they are responsible. This makes democratic membership control and intelligently-militant workplace activism vital to changing public sector unions in ways that increase their power to contest neoliberalism (Camfield 2007).

An energized business unionism has rightly had few proponents in discussions of union renewal, since this mode of union praxis has been a major contributor to the current difficulties of organized labour (Moody 2007; Fletcher and Gapasin 2008). Corporate unionism, practiced in much of SEIU and UNITE HERE, has had more advocates. However, the perception of the virtues of this kind of unionism has been affected by recent developments in the unions in which it is strongest. In 2009, SEIU's top leadership imposed trusteeship on the union's fast-growing 150,000-strong California health sector affiliate, United Healthcare Workers (UHW), which prompted most of UHW's elected officers to leave SEIU and begin to build the independent National Union of Healthcare Workers as a highly democratic organization (Winslow 2010). UNITE HERE has been riven by a split led by the former top officer of UNITE which has taken a portion of the membership into SEIU. These and other recent events in the two unions have underscored the top-down, undemocratic nature of corporate unionism and how little attention is devoted to promoting the self-organization of rank and file workers in this kind of unionism (Abbott-Klafter *et al.* 2009), adding weight to the analysis of earlier critics (Moody 2007; Early 2009; Camfield 2007). This makes it an inappropriate direction for unionists who wish to resist neoliberal restructuring.

Social unionism is the dominant form of unionism in the public sector in Canada. As Stephanie Ross (2008) has argued in detail, the practice of social unionism rarely alters how collective bargaining and contract administration are conducted. Nor does this usually change low levels of membership participation and heavy reliance on officials acting in place of workers. Supporters of social unionism do not seek to cultivate thoroughgoing democratic membership control within unions. This helps explain why social unionist praxis has generally not been effective at resisting the employers' offensive and neoliberal restructuring, as the

Toronto municipal workers' strike and many other recent experiences confirm.

This assessment implies the need for unions to explore alternative approaches. Mobilization unionism has not been practiced by many public sector unions in Canada. One exception is HEU in the early years of the first decade of the present century. Its militancy, encouragement of membership involvement and efforts at extra-parliamentary mobilization gave HEU members a greater capacity to resist the aggressive attacks they faced from the provincial Liberal government headed by Gordon Campbell. However, HEU's crucial 2004 strike -- in which members were not allowed to decide whether to accept a concessionary deal or, as many wished, to instead attempt to escalate solidarity action to try to achieve a better outcome -- provides an illustration of how mobilization unionism's democratic deficit is a significant weakness (Camfield 2006, 2007). This has also been confirmed by some experiences in US unions (Downs 2009).

What of social movement unionism? This mode of union praxis is the least common. It is dominant only in a limited number of locals in unions such as CUPE and CUPW,[22] though there are activists scattered across public sector unions who take this approach. The decision of the June 2008 convention of the *Fédération interprofessionnelle de la santé du Québec* (FIQ), Quebec's union of nurses, nursing assistants and cardiorespiratory care workers (then numbering 57,000 members), to adopt social movement unionism, in explicit contradistinction from the social unionism previously practiced (FIQ 2008a; 2008b), remains unique. However, it appears that this decision has not been followed by a transformative process within the union and it is unclear if FIQ praxis has actually begun to move in the direction of social movement unionism.

Nevertheless, experience suggests that this kind of unionism is most effective at resisting neoliberalism. In the words of a FIQ (2008a, 31-32) document:

> a struggle carried on by a larger number of people can only result in more success and consequently increase bargaining power. In short, the establishment of practices favouring inclusive and participatory democracy develops the active adherence of the greatest number of people… [Similarly] if a coalition or an alliance only involves the top of the union hierarchy, it will not

[22] Many CUPW policies are consistent with this form of unionism, but the actual practice of much of the union is not, as a number of CUPW activists have made clear to me.

> have the same bargaining power or the same penetration capacity as a coalition benefiting from the active support of all of its constituents.

Moreover, when unionists oppose employer and government demands as contrary to the interests of both union members and the users of public services, they are more likely to gain popular support than when they frame their opposition as a narrow defence of members alone. If a union under attack has a proven track record of support for other unions and community organizations the latter are more likely to support the union in its time of need. When a union has previously been attempting to build a broad social movement in conjunction with other unions and community organizations it is more likely that the latter's solidarity will take the form of effective action, rather than simply verbal or financial support.

Practicing social movement unionism is no panacea for the problems facing public sector workers, which are rooted in contemporary capitalism's drive to restructure the broad public sector. However, the history of international resistance to neoliberalism – including the victorious mass strikes in Guadeloupe and Martinique in early 2009 (McNally 2011, 161-3), the defeat of the French government's attempt to introduce a First Employment Contract in April 2006 (Bouneaud 2007), the BC teachers' strike of October 2005 (Camfield 2009) and the overturning of the privatization of water in the Bolivian city of Cochabamba in 2000 (Olivera and Lewis 2004) -- indicates that mass direct action and democratic self-organization have been key to softening the neoliberal blow and achieving such victories as have been won against neoliberal "reforms." This suggests that social movement unionism can strengthen the position of public sector unions in the increasingly difficult circumstances in which they find themselves.

There is no question that union renewal through processes to transform union praxis towards social movement unionism would not proceed smoothly and quickly in public sector unions. Bob Carter's (2006, 148) generalization that "centralised bargaining and bureaucratic unionism have long been features of state sector unionism" holds true for Canada, though the structure of bargaining is quite decentralized in some parts of the broader public sector, including social services and post-secondary education. With the exception of the FIQ, there is no evidence that the top officials of any union have even been interested in discussing a change in direction towards social movement unionism.

There are a number of reasons for this lack of interest. One is that neoliberal restructuring in Canada has not led to a massive loss of

representation rights or members for most public sector unions; public sector employers have not sought to eliminate unions altogether and density remains high. The apparent threat level has not been high enough to trigger widespread discussion and debate about major change among officials and rank and file activists. Another reason is the institutional conservatism that develops whenever union officialdom becomes consolidated. Social movement unionism can involve forms of action that pose risks for union institutions and for officials (especially full-time officers and staff) who depend on union institutions for their positions as officials. A third factor is that the level of democratic membership control involved in social movement unionism is contrary to the established bureaucratic ways in which so much union activity in Canada is organized. In addition, in most unions there are few independent-thinking left-wing activists who might organize to press for their organizations to change by moving in the direction of social movement unionism.[23] Finally, social movement unionism has such a weak presence in the contemporary Canadian labour movement that it is simply not a recognized alternative in the eyes of most union activists. For these reasons, despite its merits for public sector unions faced with neoliberal restructuring, it is unlikely that this mode of union praxis will spread within these unions in the foreseeable future.

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[23] The reasons for this are explored in Camfield 2011.

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SPECIAL ISSUE ON ORGANIZING FOR AUSTERITY: THE NEOLIBERAL STATE, REGULATING LABOUR AND WORKING CLASS RESISTANCE

Workers Versus Austerity
The Origins of Ontario's 1995-1998 'Days of Action'

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Abstract
The Great Recession has left in its wake an expected "age of austerity" where deficits accumulated to stave off economic collapse, are being addressed through steep cuts to government spending, with profound implications for social services and public sector employment. In an earlier era of austerity, eleven mass strikes and enormous demonstrations swept through the major cities of Ontario. This Days of Action movement – which has real relevance for the current period – began in the fall of 1995, continued through all of 1996 and 1997, and came to an end in 1998. This article, part of a larger research project, focuses on the movement's origins. Two themes shape the overall project: the relation between social movements "outside" the workplace and union struggles themselves; and the relationship between the energetic inexperience of newly-active union members, and the pessimistic institutional experience embodied in a quite developed layer of full-time union officials. It is the former – the dialectic between social movements and trade unions in the Days of Action, that will be the focus of this article.

Résumé
La Grande récession a donné naissance, comme on pouvait s'y attendre, à une « ère de l'austérité » où les déficits accumulés pour contrer l'effondrement économique sont pris en charge via des coupes brutales dans les dépenses des États, avec des répercussions majeures pour les services sociaux et l'emploi dans le secteur public. Durant une période d'austérité précédente, onze grèves de masse et des manifestations monstres se sont succédées dans les principales villes de l'Ontario. Ce mouvement des Journées d'action – qui est tout à fait pertinent dans la période actuel

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– a débuté à l'automne 1995, s'est poursuivi durant les années 1996 et 1997, pour se terminer en 1998. Cet article, une composante d'un projet de recherche plus vaste, met l'accent sur les origines du mouvement. Deux thèmes traversent l'ensemble du projet: les rapports entre les mouvements sociaux situés hors des lieux de travail et les luttes syndicales, et les liens entre l'inexpérience énergique des syndiqués à l'implication récente et l'expérience institutionnelle et pessimiste incarnée dans une couche bien développée de responsables syndicaux à temps plein. C'est la première des deux relations, la dialectique entre les mouvements sociaux et les syndicats dans les Journées d'action, qui sera l'objet du présent article.

Keywords
austerity; bureaucracy; conservative; New Democratic Party (NDP); rank and file; social movement; union

Mots-clés
austérité; base; bureaucratie; conservateurs; mouvement social; Nouveau parti démocratique (NPD); syndicat

From 11 December 1995, through all of 1996 and 1997, until coming to an end in the fall of 1998, eleven one-day general strikes and "days of action" were mounted in major cities throughout Ontario, Canada's biggest province and the heart of its manufacturing sector. There are good reasons to re-examine the Days of Action experience, as we enter our own "era of austerity."

A major recession punished the Ontario economy in the early 1990s, eliminating thousands of manufacturing jobs. In Ontario, it was a social-democratic government which dealt with the first effects of this recession. The Ontario New Democratic Party (NDP) administration of Premier Bob Rae rang up considerable deficits while in office from 1990 to 1995. Part of this was a result of their first budget, which bucked the trend by increasing spending in the recession conditions of the early 1990s. But most of the deficit had the same roots as those created by Liberal and Conservative administrations in other provinces: the recession of the early 1990s was extremely harsh, damaging revenues, and forcing social service expenditure upwards. Importantly, as will be shown below, the provincial deficit problem was compounded by policies imposed in the mid-1990s by the federal Liberals. Kicked out of office in 1995, the NDP was replaced by the Conservatives under Mike Harris,, which set about to deal with the debt-burden through an extreme austerity program, euphemistically called the "Common Sense Revolution".

This article will focus on the origins of the movement against this austerity program. It is a story that can't be told simply through an examination of the official institutions of the labour movement. In the first months of the Harris government, there was little response from the leaders of that movement. Ontario's labour movement is, and was, closely tied to the NDP, and it was in the final years of the NDP government in Ontario, that the austerity program had begun, although in a milder fashion than was to be the case under the Conservatives. Having said little during the NDP-led tightening of social assistance, cuts to education and cuts to health care, union leaders in the first months of the Harris government were frozen, uncertain how to respond.

But a response did come, and to understand that response, the analysis has to depart from the plane of institutions, and engage in the much more complex work of assessing social movement activism. A series of small community coalitions sprang up, hounding the Conservatives at every turn. 27 September 1995 – the opening day of the fall provincial legislative session – between 5000 and 10 000 marched on Queen's Park, in a demonstration organized by the Labour Council of Metro Toronto and York Region and the Embarrass Harris Campaign. The crowd included seventeen busloads of protesters from Ottawa, Peterborough, Sudbury and St. Catharines and members of the Canadian Autoworkers, United Food and Commercial Works, United Steelworkers of America, Canadian Union of Postal Workers, Canadian Union of Public Employees and the Ontario Public Service Employees Union – as well as hundreds marching with the Ontario Coalition Against Poverty (OCAP) (Monsrebraaten 1995; Kellogg 1995, October 30)

The environment of resistance was reflected a few weeks later, when the Ontario Federation of Labour (OFL) met in session. The 2000 delegates – much closer to the anger of the rank and file than the cautious and demoralized central union leadership – voted to launch a series of one-day, one-city general strikes to oppose the Liberal/Conservative cuts, general strikes which came to be known as "Days of Action" (Rusk 1995; Kellogg 1995, 04 December).

It is this interaction between social movements and organized labour that will provide the frame for this article. Implicit in this story is another crucial frame, the relationship between the base of the trade union movement and its leadership. There is a very rich literature grappling with this important question. Richard Hyman among others has provided us with key insights into the dynamics between the rank and file and the bureaucracy (Hyman 1971) and the equally important recasting of this

issue taking seriously the question of apathy and disengagement on the modern shopfloor (Hyman 1979). The Days of Action provide a very rich case study where the theories in this literature can be put to the test. But this article will only pose these questions, and leave to a later occasion their in-depth examination. Here it will be sufficient to set the stage, tell the story of the first key actions in the anti-Harris movement, and indicate the dialectical relationship between social movements outside the workplace, and those inside.

It is appropriate that this moment in Ontario working class history be the subject of sustained analysis. These "Days of Action" were unprecedented. The first, in December 1995, shut down the industrial city of London, Ontario in the middle of winter. Workers by the thousands illegally walked off the job, some of them carrying signs "London, Paris," inspired by the great wave of strikes breaking out in France that year. The February, 1996 strike in Hamilton Ontario saw a massive crowd of 100 000 take to the streets. Without a doubt, the high point was the magnificent Toronto strike. 25 October 1996. That day, one million people stayed away from work. The next day, 350 000 marched past the frightened Tories, separated from the massive crowd by hundreds of police outside the city's convention centre (Kellogg 1996, 08 January, 04 March, 30 October).

This article focuses solely on the origins of the Days of Action, and its first key events, and takes the story up to its emergence as a mass movement: the one-day general strike in 1995 which shut down London, Ontario. From this story, it will then sketch out a few key analytic points which these events suggest. Among these points: our notions of class and class struggle have to expand beyond the organized working class at the point of production. The Days of Action would not have even begun without the actions of social movements outside of the ranks of organized labour. Second, there is a complicated relationship between the base of the workers' movement and its institutionalized leadership – a relationship mediated by the history of resistance in which it is embedded. That relationship would prove decisive in the unfolding of the Days of Action.

25 January 1995 – The Dress Rehearsal

By January 1995, the threads which were to combine to create the days of action movement, were visible if you looked for them. Politically, there was real confusion. In Ontario, an NDP government had been the governing party for almost five years. Greeted at first with euphoria, it was now isolated and increasingly desperate. Its policies had alienated the NDP

from the very people who had put the party in office – organized labour, students and the poor.

Their hiring of welfare police to crack down on "welfare fraud" was a straightforward mimicking of the scapegoating policies of the right-wing. The NDP government eliminated student grants for university and college students, presided over a significant increase in tuition fees, and laid the groundwork for Ontario post-secondary students becoming some of the most indebted in North America. And most centrally, their attack on public sector wages – euphemistically called a "Social Contract" – had split the labour movement, and turned thousands of once enthusiastic NDP supporters into indifferent bystanders. Waiting in the wings were the parties of big business – the Liberals and the Conservatives – preparing to take advantage of the disillusion at the base of the NDP, to ride into office.

But politics is not just a story of the official parties. Deep forces were at work, pulling people from passivity and into mass action. The first sign of this was not in the workers' movement, but in the student movement. This was part of the story of the first moments of what was to become the Days of Action movement. Forces outside the ranks of organized labour went into action, and in turn had an impact on the confidence and combativity of unionized workers.

25 January 1995 had been called as a day of action by the Canadian Federation of Students (CFS). This was not unusual. CFS had frequently called demonstrations against government education policies. But this time, the issue was more serious than usual. The federal Liberals were proposing cuts to university and college funding which, if implemented, would see tuition fees double in just three years. These cuts were part of an overhaul of federal financing, unprecedented in its scope.

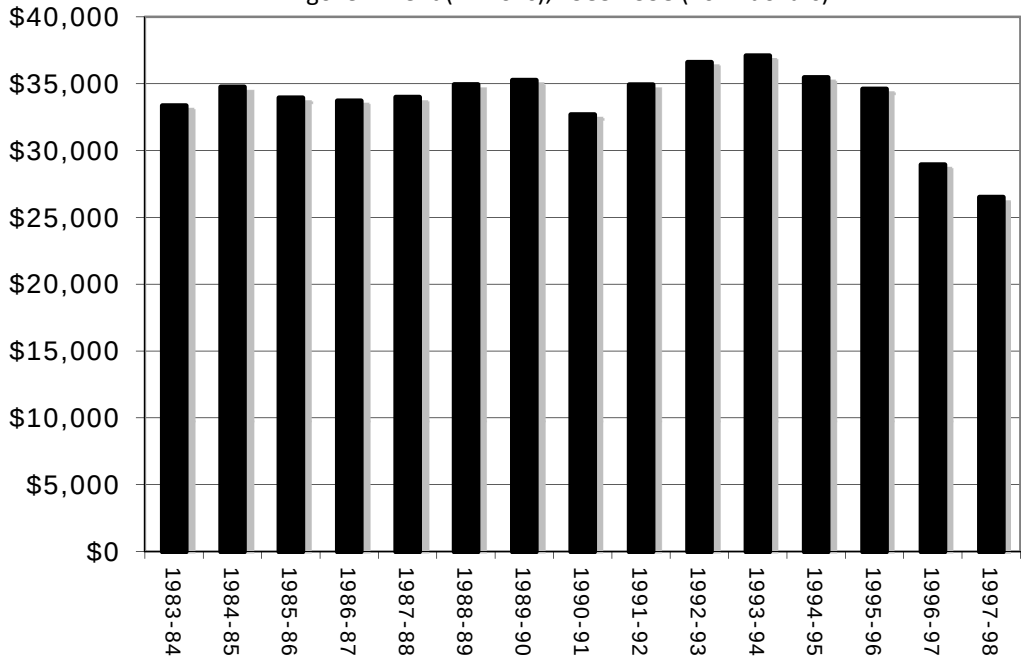
The Liberals had taken office federally in November 1993. The recession had sent budget deficits to record levels – forty billion dollars for the federal government, more than sixty billion if the provincial government deficits were added in (Department of Finance Canada, 2008). The Liberals announced that this had to end, and they ruthlessly set about to do so. Martin and Chrétien began a process of cutbacks that devastated health education and social assistance across the country. In a very short time, federal government spending had been slashed by 20 per cent. Close to 50 000 public sector workers, employed by Ottawa, were let go (Oliver 2009, White 2009).

These federal Liberal policies were directly complementary to the policies that were to unfold provincially under the Tories. They were policies deeply embedded in the bureaucratic institutions which comprise

the modern state apparatus, and were also reflective of class priorities shared across countries. In the summer of 2009, two figures from that era's Liberal administration – former top bureaucrat Jocelyne Bourgon and former cabinet minister Marcel Massé – flew across the Atlantic and met with leading British Conservatives including Philip Hammond, the shadow chief secretary to the Treasury (Oliver 2009). We are not privy to the discussions which took place at these meetings. But it might not be a coincidence that the Conservatives in Britain, now in office, have embarked upon a serious austerity offensive that has many similarities with Canada's experience in the 1990s.

One of the principle mechanisms used by the Liberals to slash spending was to change the rules by which tax money was shipped out to the provinces. The effect was to reduce by billions of dollars the amount of money given to the provinces – and this was critical, because it is the provinces in Canada which fund health care, education and social assistance. These central components of the "welfare state," while delivered provincially, are extremely dependent on "transfer payments" from the senior level of government. To deal with debts accumulated during years of Tory rule, the federal liberals had redefined the way in which transfer payments were to be delivered to the provinces, the net effect of which would be to reduce those payments by billions. Chart 1 (Department of Finance Canada 2010) captures this starkly. From 1983-84 until 1995-96, transfer payments stagnated at around the thirty five billion dollar mark, in fact a long slow cut in per capita terms. But from 1995-96 until 1996-97, transfer payments plunged by seven billion dollars, and then by another two billion dollars between 1996-97 and 1997-98. This is the picture of the austerity measures behind the construction of the neoliberal state, one aspect of which was the threatened doubling of tuition fees.

Chart 1 - Major Transfers from the Central Goverment to other levels of government (millions), 1983-1998 (2011 dollars)



Department of Finance Canada 2010

The response to the CFS call for a day of strike and action, was extraordinary. More than 60 000 participated in rallies and demonstrations across the country. If you include those who stayed away from classes, the figure of those involved rises to well above 100 000. And significantly, the mobilization had been done in conjunction with non-students – with social movement organizations, anti-poverty organizations and trade unions.

> [M]ore than 140 local, provincial and national organizations endorsed the Day of Action … Steelworkers Local 9196, miners in Stephensville, Newfoundland, called in their support and congratulated students for "kicking butt." … In some cities, Canadian Union of Public Employees (CUPE) members took the initiative to approach student unions and offer concrete organizational support. In other cities, postal workers participated in events leading up to January 25th. And throughout Canada, Public Service Alliance offices, CUPE offices and labour councils opened up their offices to provide students with access to photocopying. In Regina, 100 people defied temperatures of 22 degrees below zero and arrived on campus at 7:30 am to completely shut down the campus. The picket line was comprised of students, faculty and CUPE support staff who

> were not working that day. Cafeteria workers used their breaks to bring coffee to those staffing the picket lines. In Windsor, 250 Autoworker union members participated in the 2000 strong rally (Kellogg 1995, February 5).

The different sectors of society do not exist in isolation. Six months later, we will see the critical role of the feminist movement in helping to initiate struggle against the provincial Tories. In January 1995 it was students who initiated struggle against the federal Liberals. It is impossible to measure the impact of these "non-trade union" struggles on the union movement itself – but for anyone involved in the movement in Ontario in 1995, it is clear that they did have an impact. The trade union movement across Canada was, at that moment, extremely passive. Strike levels were at a low point not seen since the early years of the depression in the 1930s (see Chart 2). In Ontario, this passivity was compounded by the demoralization felt after the NDP failed to meet the expectations of those who brought it to office, all this in a context of chronically high unemployment and a government cutback offensive, as governments at all levels set about the process of reducing the deficit by savaging social programs.

But the 25 January student mobilization had a real impact on a layer of trade union militants.

> A Steelworker who marched with the students on January 25th, said that when he saw 5000 demonstrators from the University of Toronto round the corner to join the rally, a charge went through his body. "It was like a shot of adrenaline! I haven't felt that way for years, not since the Radio Shack strike, when busloads of miners came down from Sudbury and scattered the cops and the scabs. You can feel the power that we have" (Egan 1995a).

25 January was an anticipation, a dress rehearsal if you will. Students had responded in numbers far bigger than any had predicted. The militancy of these young people – many demonstrating for the first time in their lives – caught labour activists unaware. It awoke memories in veterans of mass struggles in the past, and began the process of spreading the idea that mass action was possible against the government cutback offensive.

For the moment, it remained an anticipation. The story in Ontario shifted to the election. To no one's surprise the NDP lost. To everyone's surprise, it was the Conservatives and not the Liberals who took office. Led by former golf semi-pro Mike Harris, these Conservatives were committed to an agenda of cutbacks on a scale never before seen in the province.

The Tories Go on the Offensive

The scale of the Tories' offensive against the poor, against social services, and against workers' rights was unprecedented. 27 June, one day after being inaugurated, the Harris government announced a thirty-day review of all public housing projects (Canadian Press 1995) Al Leach, the minister chosen by Harris to be responsible for housing, made no secret of his agenda. "As we've stated all along, it's our desire to get out of the housing business," he would tell reporters, later in July (Girard and White 1995; Small 1995). Three weeks into power, the axe really fell.

- Social assistance for Ontario's poorest residents was slashed 21.6 per cent, a cut of $938 million per year.
- New non-profit child-care spaces were cancelled, a $13 million per year cut.
- The JobsOntario training program was shut, an $86 million cut.
- Toronto's Eglinton subway and other rapid transit programs were shelved, even though $54 million had been spent digging the Eglinton tunnel, and another $42 million had to be spent filling in the hole (Small 1995), a cut of $200 million.
- The planned Jumpstart youth employment program was killed before it started, a cut of $60 million.
- $8 million was cut from the Employment Equity Commission, $10 million from the Advocacy Commission and $16 million from the Workplace Innovation and Demonstration project.
- The Royal Commission on the Workers Compensation Board was scrapped.
- Pay equity funding was capped at $500 million annually.
- Payments to all social service agencies were cut 2.5 per cent effective October 1 to be followed by a 5 per cent cut in 1996-1997.

In all, the cuts totalled one point nine billion dollars, more than half of this coming at the expense of social assistance recipients (Walker 1995). This was just the beginning. As the months unfolded, it became clear that the Conservatives were set on a complete re-ordering of life in Ontario (MacDermid and Albo 2001). Some of the changes were ideological and not fiscal. In June of 1996, for instance, for the first time since the 1930s, the Conservatives would introduce workfare into the province. Up to 300 000 social assistance recipients would be forced to work up to seventeen hours a week. If they refused, they would be cut off social assistance. The implication, of course, was that the unemployed were out of work out of

choice, not because of poor economic conditions. Jamie Kristensen of OCAP expressed a different view, 12 June 1996, at the raucous news conference where Social Services Minister David Tsubouchi announced the new program. “I’ve been through upgradings,” Kristensen told reporters. “I’ve gone through college. There is no work for me out there” (Mittelstaedt 1996). The Ontario unemployment rate in June 1996 was 9.5 per cent. For young people, aged 15-24, it was 15.6 per cent (Statistics Canada 1996).

From the Beginning, Small Battles

The election of the Harris government, the open war on the poor and the open war on workers was felt like a body blow by working people everywhere. But in spite of the shock and disorientation that was widespread throughout the province, there was from the beginning, a minority that was willing to take to the streets and protest. Harris rolled to his majority government 08 June 1995. The next night, three hundred and fifty gathered in Toronto for a protest against the former NDP government's refusal to legislate same-sex benefits. The demo was transformed into a denunciation of the “Tory bigots,” probably the most popular of the signs carried by the protesters (Kellogg 1995, 14 June). 19 July, the day before Harris was to announce severe cuts to daycare subsidies and attacks on daycare workers' wages, one thousand daycare workers went on an illegal strike in protest, demonstrating at Queen's Park (Kellogg 1995, 24 July). 21 July, the Embarrass Harris coalition rallied several hundred people outside government offices in downtown Toronto to denounce the attacks on the poor and on social programs (Monsrebraaten and Moloney 1995). On 29 July, two thousand demonstrated against the 21.6 per cent cuts to welfare slated to be implemented 01 October. "They were joined by one hundred and fifty people who marched fifteen miles from Scarborough, North York and Etobicoke" (Kellogg 1995, 08 August; see also the picture in the *Toronto* Star which reported the demonstration as five hundred, not two thousand, Toronto Star 1995). 02 August, three hundred demonstrated outside the provincial government building in Ottawa, also protesting the welfare cuts. "The demonstration shut down the intersection at Rideau Street and Sussex Drive" (Lachance 1995). August 3, one hundred and fifty demonstrators gathered outside the local Conservative MP’s office in Peterborough (Kellogg 1995, 07 August). 05 August, seventy-five members and supporters of “Harmony Hollow Home Co-operative” in Hamilton pitched tents and slept outside over night to protest cuts to 385 non-profit housing projects in Ontario (Andrus 1995). 22 August, six hundred people

in a march organized by OCAP made their way from Regent Park in Toronto, "one of Toronto's poorest neighbourhoods, to Rosedale, home of some of Toronto's wealthiest business tycoons" (Kellogg 1995, 09 September; Clarke 2010) . The message, from the left-wing OCAP, couldn't have been clearer: Harris was ruling for the rich, and ignoring the poor.

These were just some of the actions across the province that summer. In places the actions involved just dozens. Often they involved hundreds. On at least three occasions they surpassed one thousand. But they proved to have an importance far in excess of their numbers as events unfolded in the fall and winter of that year one of the Harris reign.

The Backlash Against Activism

So the summer of 1995 saw a rag-tag army of the poor, social activists, rank and file workers and socialists agitating against the Harris cuts and taking to the streets. But at the top of the movement, union leaders and respected figures on the left were either doing nothing or worse, openly criticizing those who were on the streets.

Central to the developing movement against Harris, was the June 26 demonstration against the Conservatives' swearing-in, called by the Embarrass Harris coalition. This coalition had emerged not from the union movement, but rather from the feminist movement. The weekend after Harris was elected, there was an Annual General Meeting of what was at the time Canada's main feminist organization, the National Action Committee (NAC). Inspired by a speaker from Alberta, who spoke about organizing against the Tories in that province, several Ontario women decided to form an ad hoc coalition to call a demonstration that would directly confront the legislature during the swearing-in. Kam Rao, one of the organizers, explained that:

> Some of us were really hell bent that it had to be there while they were on their stage. People know the difference between standing in front of an empty legislature building and standing in front of a legislature building where a government's about to dig its heels in on an agenda that's going to seriously hurt all of us.... We hoped that we wouldn't humiliate ourselves and that we'd have more than five hundred people and in the end we had two thousand five hundred (Rao 1996).

Those two thousand created an extraordinary scene. At times their angry chants could be heard inside the legislature (Kellogg 1995, 03 July; Ibbitson 1995). For anyone with an historical memory, it was a remarkable

event. The swearing-in of Bob Rae's NDP government, just five years earlier had been held in Convocation Hall. Rae and his new cabinet were met by 2000 cheering trade unionists and social activists "many weeping unashamedly, too choked up to utter a word if our lives depended on it" (Caplan 1990). Five years before that, when Liberal David Peterson was sworn into office, he held the ceremony "on the front steps of the Legislature at noon. The party had taken out newspaper ads inviting the public to attend the ceremony in an effort to show how open the new government intends to be" (Harrington and Christie 1985). From a lawn-ceremony in 1985, to a love-in in 1990, to an angry protest of two thousand five hundred in 1995 – for those who understand that the key to social progress is social activism, this was a significant shift. But this activism came under a sustained assault.

Leah Casselman, president of the Ontario Public Service Employees Union, "said before issuing ultimatums she would try to work with the government to improve services" (Van Alphen 1995a). She and Harry Hynd, Ontario director of the United Steelworkers of America, wanted "to meet with him [Harris] and give the Conservatives' 'Common Sense Revolution' some different common sense" (Van Alphen, 1995b). She refused to back the 26 June anti-Tory demonstration (Waugh 1995). Sid Ryan, head of the Ontario wing of the Canadian Union of Public Employees (CUPE) said, "to be going into an all-out war now with a government that clearly has a mandate, before they even take office, I think is the wrong strategy for labour" (Brennan 1995a). Sections of the left echoed these criticisms. Wayne Roberts in the 1970s edited a socialist newspaper. In the 1990s he was a regular writer for the leftish *Now* magazine in Toronto. He wrote in that publication an analysis of workfare, which said in part, "the left needs to do better than merely protesting the changes … with the energy saved from kneejerking, activists can promote dialogue on how workfare … can achieve pride of place in a full-employment economy" (Roberts 1995). Even Naomi Klein, who a few years later would emerge as a leading figure in the anti-capitalist movement, was extremely dismissive towards at least one of the early attempts to challenge Harris. "Rallies don't always mean you're stuck in the '60s, but they have to be a culmination of something. Slogans in themselves … you look like an idiot. That 'Embarrass Harris' stuff was stupid" (Hurst 1995).

But it wasn't stupid. Within months there would be tens of thousands on the streets against the Conservatives, a movement with its roots in the very actions dismissed by established union leaders and established left-wingers. What would have happened if Harris had taken

office and the small marches, the small rallies, the small protests not taken place? You don't create a mass movement out of nothing. Mass movements emerge when there is a growing feeling of confidence that action can make a difference. That confidence is not built all at once, but is a culmination of battles, which of necessity begin on a much smaller scale. The lesbian and gay rights activists, daycare workers, anti-poverty activists, social assistance recipients, and feminist "Embarrass Harris" organizers who took to the streets in the days and weeks following the Conservative victory helped nurture the flame of resistance during what were very difficult times.

The small battles during the summer of 1995 slowly began to build confidence that the Conservatives could be challenged. But for that challenge to become mass and effective, the ranks of organized labour would have to be brought on board. In Ontario, that meant the forty two unions grouped in the OFL, with 650 000 members, by far and away the biggest mass organization in the province. Nowhere do ordinary people have mass organizations on the scale of trade unions. It is here that working people have their greatest strength. In Ontario, close to forty per cent of working people were members of unions in the 1990s. If the anti-Tory movement could move from the streets to organized workers in the workplaces, then Harris would face a much bigger fight.

September and October 1995 – The Dam Bursts

The breakthrough came in August, 1995. The Embarrass Harris Campaign was joined by two major Toronto-based union organizations – the Labour Council of Metropolitan Toronto and the Building Trades Council – in the call for a mass protest outside Queen's Park when the legislature reconvened 27 September. For the first time, the rag-tag army of anti-Tory activists had been joined by organizations with links to the mass organizations of the working class.

On Labour Day in Toronto, more than ten thousand flyers announcing the demonstration were distributed to union contingents. "Hundreds of workers carried signs calling for unionists to join the protest" on 27 September. OCAP organized a rally for the same day to culminate in a march from Allan Gardens to Queen's Park. The Canadian Federation of Students built the action on campuses across the city. Buses from around the province were organized, including three from Guelph organized by the Guelph anti-cuts coalition and the Guelph and District Labour Council. "Solidarity actions are being planned for the same day in many communities throughout Ontario" (Kellogg 1995, 17 August). The anti-

Tory street activists were now working in synch with student organizations and key labour organizations had come onside. The "big battalions" of the labour movement were not yet involved, but for the first time at least a section of the labour movement's official organizations was backing the protests.

The result was beyond anyone's expectations. Press reports put the demonstration at five thousand. Some organizers put the figure at seven thousand (Gadd 1995; Mittelstaedt 1995; Edmonton Journal 1995). Many who were there put the figure at more than ten thousand. No matter which figure is correct, it was the biggest protest yet against the Harris cuts, the first where the majority were organized workers, and the first which gave a sign of the mass movement which was building in the province.

> Never before in Canadian history has the opening day of the legislature for a newly elected government been greeted by a demonstration as angry and large as the one that gathered on the 27th. The poor Tories even had to cancel the traditional horse-drawn carriage which drags onto the grounds the province's biggest scrounger, the lieutenant-governor, "representative of the Queen." There was no room on the lawn for this aristocratic dog and pony show – it was jammed with angry anti-Tory workers and students (Kellogg 1995, 04 October).

The protest was also the first one to penetrate into the workplaces. More than a demonstration, it involved workers collectively leaving their workplace, and marching to the legislature:

> Workers streamed out of the hospitals on University Avenue, they came by the thousands out of government offices at Queen's Park, clerical and administrative workers crossed the road from the University of Toronto. The Labour Council of Metro Toronto bucked the trend so common today in other labour bodies. Because of the urging of rank and file delegates, at its last meeting it unanimously decided that it would organize with other sectors to make Harris and his Tories understand that they were in for a fight. The Labour Council called on trade unionists in the Toronto area to come out and stand up for their rights, and the rights of every oppressed and exploited person in this province. The result of this call put a lie to earlier pronouncements by union leaders who declared that demonstrations were premature and wouldn't work (Egan 1995b).

The OFL had not backed the 27 September demonstration. But its success created enough pressure to finally push the top union leaders in the

province to call an anti-Tory action. The OFL would be having its convention in November, and the call went out from the OFL Executive Board that during the convention there would be a mass anti-Tory demonstration 22 November. From Embarrass Harris and OCAP to the Labour Council, the pressure had now built up sufficiently to put the ball in the court of the mass organizations of the Ontario working class. But it was not yet clear which way the OFL leadership would go. Often in the past there had been token action programs and token protests, sufficient to let off steam, but insufficient to build a real movement. Would this time around be any different?

Two things ensured that this time would be different: first, the deepening of confidence among rank and file workers that the Conservatives could be fought; second, the intensification of the Conservative assault.

Up to this point, the brunt of the Conservative assault had been on the poor and on social programs. But in the fall of 1995, the Conservatives turned their attention to labour. The previous NDP government had introduced anti-scab legislation, making strikebreaking illegal in the province. This was an offence to the Conservatives and their big business backers. 31 October, the Conservatives rushed through Bill 7 in order to repeal the provincial anti-scab law, a day before a planned protest by public-sector workers. At the same time, they adopted draconian labour legislation that would make it harder to unionize, easier to decertify unions, and pave the way to large-scale privatization of services.

Elizabeth Witmer, Minister of Labour, tried to portray the Conservative approach as "restoring the balance, a very delicate balance in labor relations, and adding a few measures that will democratize the workplace" (Crone 1995) But the real agenda was revealed by Dave Johnson, Chair of Management Board of Cabinet, who was quoted as saying that "civil servants must be stripped of their union rights for the economic good of Ontario" (Brennan 1995b). If the first round of cuts had been a war on the poor, this new Bill 7 was a war on organized workers.

Suddenly, the union movement moved to the front of the line in the battle against the Harris Conservatives. The summer of street activism had given people confidence that the Conservatives could be fought. The 27 September breakthrough had shown that if major union organizations put out a serious call, thousands of workers would respond. The vicious attack on workers' rights intersected with this rising confidence leading to an explosion of anger in the ranks of organized labour.

After the Labour Council of Toronto and York Region, the next major mass workers' organization to respond was the Canadian Auto Workers (CAW). 31 October, the day Bill 7 passed into law, "almost six hundred leaders of the Canadian Auto Workers … voted unanimously to lead a general strike before the end of the year" (Waterloo Region Record 1995). Suddenly, the top leaders of the Ontario union movement were caught between two opposing forces. From above, they were being hammered by the most vicious anti-union legislation in Ontario since the 1930s. From below, they were being pressed – first by the Toronto Labour Council's 10,000 strong 27 September protest, and now by six hundred local leaders of the province's strongest private sector union – to call strike action against the attack.

Their response was to vacillate. The weekend before the bill was passed, Gord Wilson, president of the OFL, said that strike action was being planned against the bill. Wednesday, November 1 was floated as a possible date for a strike. But the day came and went and no strike call was issued. "There was talk in a lot of our Cambridge plants that people were upset they didn't have it [the strike] today," said Tom Rooke, president of local 1986 of the CAW in Cambridge. Friday, 03 November was floated as a new strike day, but when the day arrived instead of a strike there was a meeting of top OFL union leaders (Cannon 1995). The truth is, there was considerable opposition at the top of the movement to taking strike action against the Conservatives. Many union leaders simply did not believe that workers would heed the call.

Then in the second week of November, word spread like wildfire through union and activist circles in Ontario – the CAW on 14 November was going to strike the massive Autoplex complex in Oshawa – the biggest centre of vehicle production in Canada. The walkout would have been illegal. There were then, and are to this day, severe restrictions on what strike activity is allowed between collective agreements. But there was such anger against the Conservatives that there was every reason to believe the walkout could have worked, and a successful walkout would have inspired the fightback across the province. This was particularly true for a job action involving the CAW, whose "social unionism" (or "movement unionism" in Sam Gindin's words) meant it had a much greater affinity with the social movements – particularly the anti-poverty organizers – which had been at the forefront of the anti-Harris movement to date (Gindin 1995, 254-282)

The leadership of the local, CAW 222, backed the call and threw themselves into organizing it. The Social Action Committee of the CAW was

enthusiastically organizing to bring in activists from other trade unions and social movements. The strategy was to call on the day shift to stay away from work and reinforce this call with picket lines before the day shift at 6 am, 14 November, staffed by other trade unionists, anti-poverty activists and others opposed to the Conservatives. From Toronto to Kingston, plans were afoot for buses of activists to go to Oshawa to support the stay-away. For students, anti-poverty activists and trade unionists from the public sector to stand side by side on picket lines with one of the country's strongest private sector unions would have seriously built the solidarity necessary in the fight against the Conservatives.

But after setting the wheels in motion for the stay-away, on November 9 the plug was pulled. The phones rang across the province to tell people the strike was off. CAW officials were not forthcoming with the reasons for calling off the 14 November stay-away. Apparently, there was fear at the highest levels that the rank and file of local 222, many of whom voted for the Conservatives in the provincial election and for the Reform Party (predecessor to the Canadian Alliance, now folded back into today's federal Conservative Party) in the previous federal election, would not respond to the call for a stay-away.

But this was one more example of union leaders looking for a way to blame the rank and file for their own hesitancy. Reform Party arguments did have a hearing in a section of local 222. Right-wing Reform Party types led a call for the local to disaffiliate from the NDP. But those same individuals were trounced in the subsequent local elections.

The Reform Party based its politics on, amongst other things, welfare-bashing. But in October, the month before the announced strike date, anti-poverty activists from OCAP met with 200 stewards from local 222. At the meeting was a single mother on welfare who explained her plight to the stewards. There was an absolutely enthusiastic response from the stewards at the meeting. John Clarke, provincial organizer of OCAP put it clearly.

> In the course of our work, we've had dealings with local leadership and with rank and file members of 222, and have always found that if the issues were presented from the standpoint of working class unity, we have got nothing but a warm reaction(Kellogg 1995, 05 December).

The General Strike Movement Begins

The elation of 09 November gave way to dejection, then back to elation. There would be no Oshawa strike 14 November. But the OFL Executive

Board was recommending to the upcoming OFL convention that a one-day general strike take place in London on 11 December.

This was a second-best choice. Striking Oshawa at the heart of the Canadian economy would have sent a quick message to the Conservatives that the movement was serious. It would have galvanized hundreds of thousands – in Ontario and in the other provinces – that a fight back was on the cards, a serious fight back. No one could question the power of the workers of Oshawa. That city, along with Winnipeg, Windsor, Sept-Îles and a few other places, is iconic in Canada as a location of historic working class militancy. London was more of an unknown quantity. There was some feeling that the OFL Executive Board was putting forward London in the hope that it would be rejected out of fear that London workers would not respond. Nonetheless, a date had been set, a place had been chosen, and all eyes turned to 11 December and London.

When the time came for the OFL convention to vote, there was no stopping the general strike call. The top leaders were preoccupied with the issue of labour's relation to the NDP and what some of us called, at the time, "an extraordinarily uninspiring executive election." There was little push from the top to build support for general strike action. But when the vote came on 20 November, the two thousand delegates, "much closer to the shop floor anger than the officials at the top of the movement, pushed these petty disputes aside to massively endorse the action plan" and its call for a one-day strike in London, 11 December (Kellogg 1995, 05 December).

Suddenly, there was a road map for activists, showing the way to building a mass movement against the Conservatives. Shut down London 11 December. Move to another major city in early 1996. Build towards a province-wide general strike to stop the Conservative attacks. A general strike had brought the Conservative government in Britain to its knees in the early 1970s. A general strike in Ontario would reveal the extent of the isolation of the Conservatives, and build the confidence of people who wanted a way out of the devastation the Conservatives were leaving in their wake. As the buses were booked to travel to London, as the leaflets and picket signs were being prepared, there was a sense throughout the province that everything was to play for.

And on the day, 11 December showed that we had the power to build such a movement. In an event bigger than any had expected, 40 000 of the city's 60 000 unionized workers stayed off the job (Egan 1996a). General Motors' London diesel plant (2200 workers), Cami Automotive in Ingersoll (2300 workers), Ford Talbotville (500) -- all were shut for the day (Scotland 1995) as were the Labatt brewery, Kellogg's, the McCormick

cookie factory, 3M, the Accuride auto parts plant, the Canada Post sorting plant and many others (Lakey and Edwards 1995). All the work stoppages were illegal. Ford management received a court injunction banning pickets at the gates of the Talbotville plant, but workers from Cami showed up anyway, and picketed the plant shut (Scotland 1995). "Police watched the scene, but did not enforce the court injunction" (Lakey and Edwards 1995). In weather that was minus forty with the wind chill, 16 000 marched through the streets chanting "It's not as cold as Harris"(Kellogg 1995, 08 January).

The days of action campaign had begun. The debate about moving to a province wide general strike was now the most important political issue by far in the Ontario workers' movement.

Preliminary Conclusions

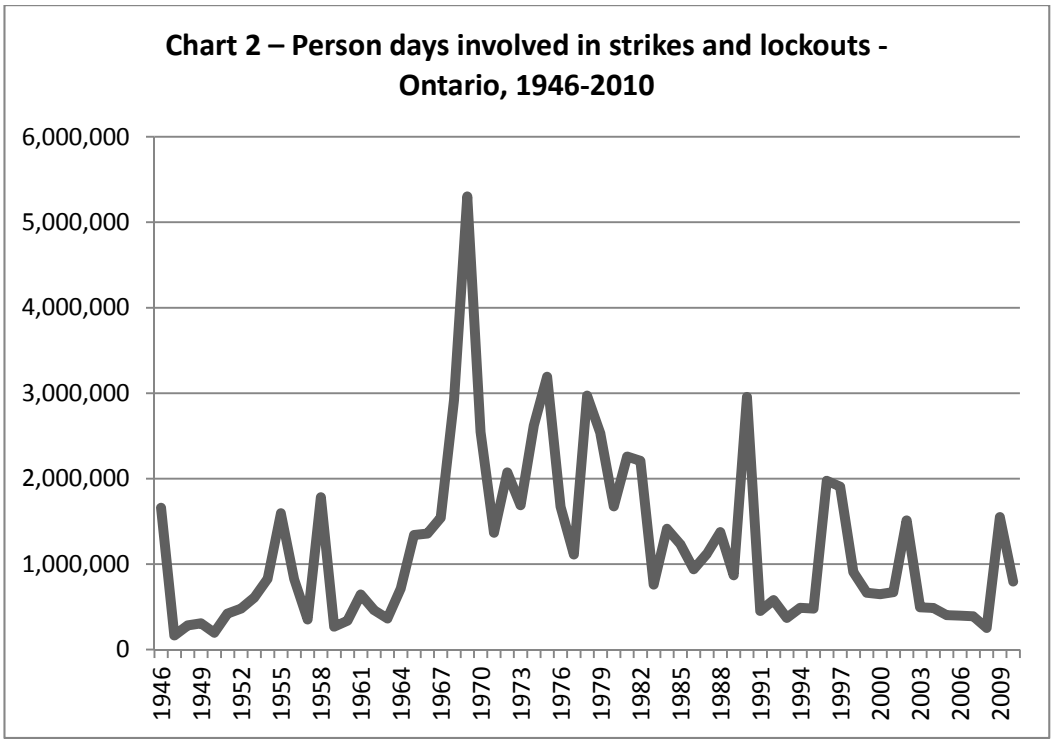
Future articles will examine the three lost opportunities – the February 1996 moment of a general strike in Hamilton followed by a massive public sector strike; Toronto's general strike in October of 1996; and the two-week, illegal, province-wide teachers' strike in October and November 1997. This article has a more limited purpose – to sketch out the origins of Ontario's Days of Action. Any conclusions, therefore, must be preliminary and tentative. Here, one main point will be emphasized. The "Days of Action" moment presents itself at one level as a classic confrontation between a party sympathetic to big business (the Conservatives) and the "serried ranks" of organized labour. That dimension is of course present. But what the article has tried to show, is that without the activity and presence of thousands outside the ranks of organized labour, the Days of Action movement would not have even begun. The "serried ranks" of labour were in fact quite passive in the first months of the Mike Harris government. It was the actions of students, social assistance recipients, feminists, community-based social movements and heretofore relatively isolated left-activists, who provided the initial spark for the movement. It is no longer tenable, if it ever was, to conceptualize class struggle as solely a workplace-based affair involving as agents only those organized into unions. This lesson is clearly of pressing importance in the newly-industrializing world where millions exist in a kind of "class limbo" – half-way between the countryside and the city, half-way between a life of hustling on the streets and collective labour in a sweatshop. But even in a fully advanced industrial society such as Canada, where the question of urbanization was settled a long time ago, this "broadening" of our sense of class and class struggle remains critical.

Think only of the Embarrass Harris moment. It is absolutely clear, that the class struggle of workers against Tories in Ontario in 1995, has as a key component part ,the deliberations and discussions taking place in the AGM of NAC, the central feminist social movement in English Canada in the 1990s. The idea of class struggle appropriate to the Days of Action, then, cannot just be an idea of the workplace and unions. It must also be an idea of women's oppression and resistance, whether at the workplace or not. To restrict our notion of class struggle in this instance to unions and the workplace is to make it an idea which cannot grasp the totality of the forces which were to create a vast, class-based movement.

Many other issues have been implicitly raised here, but which can only be headlined in a short article. Throughout the story, there is an ongoing tension between the base of the movement – both in the unions and outside – and the institutional representatives of that movement itself. It is too simple to paint a picture of a rebellious rank and file, chomping at the bit, being held back by "misleaders of the class." However, what can be said is that the routinism and conservatism and resulting lack of imagination and vision displayed by the principal representatives of the trade union movement, again and again led to squandered opportunities, and confusion in the movement. This was clear right from the movement's beginning. The anti-Harris movement began in the context of mass anger over the attack on social assistance, and the poorest of the poor. The 21.6 percent cut in social assistance rates was horrific to many. But this did not galvanize the union leaders into action. It was Bill 7, which was seen as an affront to their authority and influence viz. both government and the employer, that moved the anger from the streets to the union offices. This is interestingly symbolic of a leadership more attuned to its own institutional concerns, than it is to the plight of the poorest in the province. Implicit in that tension are a whole host of issues that need to be developed in much greater detail.

Finally, this tension between the institutional representatives of the workers' movement, and the movement itself (the "rank and file"), needs to be approached very concretely through an appreciation of the ups and downs of the class struggle at the workplace. Unions present themselves in two different ways in modern society – as agents of collective bargaining, and as agents of mass struggle, typically represented through actions on the picket line in strikes and lockouts. The background to the Days of Action in Ontario in the 1990s – not dissimilar from the experience in the United States, Britain and other advanced industrial countries – was a background of many years where the level of class struggle, as measured in

the statistics of strikes and lockouts, was exceedingly low. Chart 2 (Statistics Canada 1946-2010) documents this, showing a steady decline from the peak levels of strike activity in Ontario in the late 1960s, to the very low levels in 1992, 1993 and 1994, the years just preceding the Days of Action when the NDP was in office in the province. In terms of the "social impact" of these strikes, the decline is actually much steeper than is represented here, as the population in Ontario in the 1990s was far higher than in the 1960s. In such an environment, it will not be surprising that the often conservative traits of the institutionalized collective bargaining routine would come to dominate the union leaderships, while the characteristics appropriate to the "war of manoeuvre" on the picket line, would recede.



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But this is more than enough for one article. For the people of Ontario, the Days of Action from 1995 until 1998 remain a very big experience, one that shaped a generation of workers, students, and anti-poverty activists. Its lessons are still being discussed today, many years after the fact. Indeed, with the shift to austerity again a matter of daily political talk and action, there has been renewed interest in the Days of

Action experience throughout the province. Perhaps some of this discussion of the recent past will have relevance to the movements against austerity of today and tomorrow, here and in other countries.

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A Note on Sources

The author was a full participant in many of the events described in this analysis, both as an activist and as editor of the then bi-weekly *Socialist Worker*. For an equivalent event today, I would use, for my own writings, material from my web-blog, *PolEconAnalysis*. Modern "political blogging," of which that blog is a sample, actually represents something quite old – the original longer versions and "first drafts" of articles – some of which make it to the printed page, some of which settle into the "dust of history". The forthcoming weblog *PolEconJournal* will be this author's modest attempt to make his own political journal, from the pre-blogging years, available and accessible to the Internet generation. The articles on which this blog will be based, exist in print form in an unpublished collection, organized into four archives. The archive relevant to this article is *PolEconJournal II: Days of Action,* (Kellogg 1995-1998), and articles from this archive have been cited throughout, indicating date written rather than page number, the dates representing the actual date of writing, as in a contemporary weblog.

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SPECIAL ISSUE ON ORGANIZING FOR AUSTERITY: THE NEOLIBERAL STATE, REGULATING LABOUR AND WORKING CLASS RESISTANCE

Austerity, Competitiveness and Neoliberalism Redux
Ontario Responds to the Great Recession

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Abstract

This article examines the deepening integration of market imperatives throughout the province of Ontario. We do this by, first, examining neoliberalism's theoretical underpinnings, second, reviewing Ontario's historical context, and third, scrutinizing the Open Ontario Plan, with a focus on proposed changes to employment standards legislation. We argue that contrary to claims of shared restraint and the pressing need for public austerity, Premier McGuinty's Liberal's have re-branded and re-packaged core neoliberal policies in such a manner that costs are socialized and profits privatized, thereby intensifying class polarization along with its racialized and gendered diversities.

Résumé

Cet article analyse l'intégration de plus en plus profonde des impératifs du marché dans la province de l'Ontario. Nous faisons cette analyse, premièrement, en analysant les bases théoriques du néolibéralisme, deuxièmement, en décrivant le contexte historique de l'Ontario, et troisièmement, en examinant le "Open Ontario Plan", sous l'angle particulier des propositions de changement de la législation sur le droit du

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travail. Nous soutenons que sous le couvert de discours prônant le partage de l'austérité et l'impérieuse nécessité de restreindre les dépenses publiques, les Libéraux du Premier McGuinty ont ré-étiqueté et reformulé les politiques néolibérales de façon que les coûts soient socialisés et les profits privatisés, aggravant ainsi la polarisation des classes ainsi que les inégalités liées à la race et au genre.

Keywords
austerity; employment standards; neoliberalism; Open Ontario Plan

Mots-clés
austerité; néoliberalisme; Open Ontario Plan; droit du travail

In the midst of transition from rescue to recovery from the Global Financial Meltdown, states around the world have responded with exceptional austerity measures. This round of austerity has been dynamic and multidimensional throughout North America and Europe (Panitch *et al.* 2010; Fanelli *et al.* 2010). Rather than being dislodged, neoliberalism as a political-economic project seems to be gaining renewed momentum the world over amid capitalist militancy and the absence of broad-based and sustained resistance. Indeed, financial crises and recessions actually serve an operational purpose in capitalism, despite the instability and devastation wrought. Not only do intermittent crises discourage investors from escalating risks in pursuit of maximizing profits, but financial volatility actually reinforces and intensifies competitive pressures among and between firms and workers, thereby heightening market dependence and rehabilitating the conditions for renewed accumulation.

In what follows, we focus on the recent trajectory of neoliberal policy responses in Ontario. First, we illustrate the connections between the broader neoliberal political project that was initiated by the capitalist class in the 1970s and present-day austerity measures. We then outline the transition to neoliberalism in Ontario, tracing this evolution beginning with Bob Rae's NDP government in the early 1990s, through the years of the Mike Harris' Conservatives, to Dalton McGuinty's Liberal government. Third, we present an analysis of the austerity programmes set in motion by McGuinty's government since the onset of the recession through an overview of both the Open Ontario Plan (OOP) and the *Open for Business Act (OBA)*, legislation introduced in May 2010 to promote "economic competitiveness" in the province. In spite of claims that we are living in radically different times and that we must collectively share the costs, the provincial government has re-branded and re-packaged neoliberal policies

in such a manner that costs are socialized and profits privatized. We argue that, contrary to claims of shared restraint and austerity, the measures advanced by the government of Ontario heighten class polarization during this period of the current crisis.

Neoliberalism and New Spaces of Accumulation

Neoliberalism as both political philosophy and social policy developed in the context of the capitalist economic downturn that began in the early 1970s. This downturn led to wide-ranging transformations in the social organization of work, labour relations, and labour market policies. Neoliberalism emerged in this conjuncture as a challenge to Keynesianism and as a prescription for a return to capitalist profitability (Harvey 2006; Jessop 1993). Specific neoliberal strategies include social policy oriented towards fiscal restraint, trade policies designed to promote competitiveness and capital mobility, and labour relations that promote the individualization of economic risks.

Proponents of neoliberalism claim that the model is premised on the idea of reducing the role of the state in regulating the economy, as if removing "the state" from the equation will enhance competitive economic relationships and lead to "perfect equilibrium" (Perelman 2006). However, this naturalized view of the market neglects the central role played by state agencies in establishing institutional preconditions for private property, free markets and free trade, and capital accumulation in general (Wood 2005). Thus, despite neoliberal assertions of the need for markets free from government regulation, neoliberalism relies quite clearly on the role of the state to regulate the economy, as the implementation of the neoliberal model has produced social and economic policies that are overtly oriented towards advancing the interests of capital (Block 2002; Harvey 2006). These include: the deregulation of foreign direct investment, liberalizing trade and financial services; setting the conditions for more "flexible" employment and serving injunctions on unions when contract negotiations go awry; offering subsidies and incentives for new productive facilities or leasing out public lands for resource extraction at discounted prices; workfare in place of welfare; personal and corporate tax reductions in order to stimulate consumption; and a shift away from universal social programs to market-based models (Peck 2001, 2005; Harvey 2005; Brenner 1999). Thus, while in principle neoliberalism identifies the absence of state regulation as a strategy for economic prosperity, in practice neoliberalism has resulted in the re-orientation of social policies

and state intervention in the economy in ways that support capitalist profitability.

Moreover, neoliberal governments have played an essential role in reconfiguring territories to facilitate expanded opportunities for investment free from the costs of social and physical infrastructure. This has entailed a shift from the administrative structures of the Keynesian welfare state that sought to alleviate interregional inequalities through redistributive policies, to growth-oriented strategies that encourage economic development by pitting regions against one another for competitive access to trade, goods, resources and services (Brenner 1999; Harvey 2006).

Neoliberalism, then, can be understood as a fluid, ongoing process rich in change that has entailed the rescaling of political administration through multi-level governance arrangements via shifting territorialities in order to attract capital investment (Brenner and Theodore 2002). This has entailed the concurrent introduction of new state supports and mechanisms that facilitate private accumulation, in addition to the retrenchment of social protectionisms provided by the state, and the simultaneous devolution *and* upwards transference of regulatory responsibilities, most often without matching fiscal tools or regulatory decision making powers, to other governments (McBride and Shields 1997; Peck 2005). All this can be understood as the competitive re-regulation of neoliberalism within and between multi-level governments, or the locking in of inter-jurisdictional competition, with the aim being to ensure sustainable accumulation.[1] In addition, central to the core recipe of neoliberalism is the movement away from government-led entitlement programs towards an increasing reliance on private charity through faith-based interventions, philanthropy and volunteerism, assertions expounding the virtues of entrepreneurialism and individualism, relentless street-level policing of public disorder and a fidelity to private sector-led development (Peck 2006).

In addition to the class dynamics of neoliberalism indicated above, feminist political economists have identified gendered dimensions of neoliberal policies (Bezanson and Luxton 2006; McKeen and Porter 2003; Jenson *et al.* 2003). For example, neoliberal policies have promoted the

[1] This also serves the purpose of preventing progressive governments from using their regulatory authority to erect trade barriers against the goods and services from other political units, thereby entrenching capital mobility and avoiding any centralization or harmonization of market-inhibiting policies (Harmes 2006).

privatization of social services and the lack of support for child care, which, in the context of persisting gendered divisions of labour, have increased the demands on women's responsibilities in the home. Neoliberal policies have also reproduced patterns of gendered labour market inequality through transformations in income security policies that are premised on the male income earner model of paid employment. This dynamic serves to further individuate responsibility by ignoring how complex socio-historical structural relations constrain the space for choice and subjectivity. A key aspect of neoliberalism is the increased individualization of economic risk, whereby neoliberal subjects are constituted through economic and political processes that promote the commodification of all aspects of social life, including relations of social reproduction (Braedley and Luxton 2010). This is especially pertinent to women in the public sphere as it has been here where they have made the most gains and labour market segmentation less pronounced, as compared with their private-sector counterparts (Boyd 1997; Armstrong *et al.* 2001). All in all, the intrusion of neoliberal market mechanisms into public services and industries represents a frontier opportunity to harmonize downwards the quality, pay and working conditions of the public-sector with the private sphere.[2]

Neoliberalism has individualized economic risks, leading to a growing precariousness of job tenure as well as heightened stress and work-life conflicts owing to long hours of work and lack of control over working time (Thomas 2009; Lewchuk *et al.* 2011). More specifically, neoliberal labour market policies tend to further expose labour to market forces, in particular the pressures of commodification. In this neoliberal context, labour legislation and labour market policies are often designed to "weaken protective regulations, restrict collective institutions and strengthen pro-individualistic regulations" (Standing 1999, 42). As such, longstanding patterns of labour market inequalities are exacerbated, with disproportionate effects on already marginalized groups. For example, patterns of racialized labour market inequality in Canada intensified as neoliberalism weakened labour market protections and income security policies (Creese 2007; Galabuzi 2006; Jackson 2009; Teelucksingh and Galabuzi 2005; Thomas 2010). Racialized groups are disproportionately represented in low-income occupations across the labour market and these employment patterns are reflected in overall employment earnings

[2] Although the foregoing analysis emphasizes the legislative and public policy responses of the Ontario government, there effects are not gender or racially neutral. Unfortunately, however, a detailed exegesis of these concerns is beyond the scope of this paper.

for racialized group members that are below the Canadian average, with racialized families two to four times more likely to fall below low-income cutoff measures (Colour of Poverty 2007). Further, new immigrants are more than twice as likely as Canadian-born to experience chronic low incomes (*ibid*). These employment and earning differentials have contributed to a broader racialization of poverty, where racialized groups are more likely than non-racialized groups to have overall earnings below the poverty line (*ibid*). Overall, then, as public policy became increasingly neoliberalized this has brought about increases in labour market insecurity, which have disproportionately affected racialized groups.[3]

Likewise, the erosion of income security policies and labour market protections has contributed to growing economic polarization in Canada over the past several decades (Naiman 2008; Yalnizyan 1998, 2010). For example, in the 1970s, the wealthiest ten percent of the population received 23 percent of total market income. This increased to 28 percent by the 1980s and 37 percent by the 1990s. By 1999, the wealthiest ten percent of families held 53 percent of the wealth in the country. Furthermore, between 1970 and 1999, their average wealth increased by 122 percent; while the poorest ten percent saw their debts increase by 28 percent. In 2009, income disparities had reached levels unseen since the 1920s (Yalnizyan 2010, 3-4). Canada's richest one percent took home 32 percent of all growth in incomes from 1997-2007. Similarly, while in the 1950/60s the income share taken by the top one percent of earners was less than eight percent, by 2007 this had reached 13.8 percent. A significant contributing factor has been the continuing regressive overhaul of the Canadian tax system. While in 1948 the top marginal tax rate for income earners making $250,000 ($2.37 million in today's dollars) was 80 percent, the top tax rate in 2009 averaged across Canada was 42.9 percent for income above $126, 264. By 2009, these measures contributed to 3.8 percent of Canadian households controlling $1.78 trillion in financial wealth, or 67 percent of the Canadian total (*ibid*). With the onset of the Great Recession, these historical trends have undergone a swift intensification. In what follows, we trace the evolution of neoliberalism in Ontario with an emphasis on the Premiership of Dalton McGuinty.

[3] A more complete analysis of the racialized dimensions of neoliberalism and austerity measures is beyond the scope of this paper. For a discussion of the racialized implications of the *Open for Business Act* see Gellatly *et al.* (2011).

From Rae to Harris to McGuinty

Ontario has historically been a province dominated by Progressive Conservative (PC) rule. Unbeaten from 1943 to 1985, Ontario's "natural" governing party is distinguished by its affinity to "red Toryism", which was particularly true under former Premier Bill Davis who led the party from 1971 to 1985.[4] The year 1985 is enigmatic of a paradigm shift; that is, the culmination of a preceding decade of transition in Ontario politics, whereby neoliberal policies came to dominate political discourse. This drift toward the political and economic right, whereby neoliberalism would become the new orthodoxy, ushered in a tumultuous time in Ontario's political affairs. The short-lived tenure of former Liberal Premier David Paterson, who governed from 1985 to 1990, witnessed the simultaneous rightward movement of both the provincial Conservatives and the New Democratic Party (NDP).

This rightward shift in the province is evident through several successive governments, beginning in an early form with the social democratic NDP government of Premier Bob Rae, and taking its sharpest turn throughout the 1990s with the PC government of Premier Mike Harris. We suggest that, while distinct from the Harris years, the Liberal government of Dalton McGuinty has also adopted neoliberal principles in its social and economic polices, particularly through austerity measures in the aftermath of the Great Recession. Rather than cast neoliberalism as a monolithic policy prescription, however, we outline varieties of neoliberal strategies through these three governments, and place greatest focus on its most recent form through McGuinty's *OBA*.

Elected in 1990, the NDP's Bob Rae ran on a progressive program emphasizing investments in social services, education, health care, infrastructure and changes to employment standards legislation. Rae's NDP enacted significant changes to Ontario labour laws through Bill 40, such as the combining of bargaining units of an employer and the same trade union, imposing strict time-limits on arbitration decisions, introducing successor rights, restricting the use of replacement workers and introducing a wage protection program for workers when employers

[4] Basic tenets of red Toryism include modest investments in physical infrastructure, limited welfare state provisions and a role for government in nurturing industry and commerce. This is differentiated from "blue Toryism", which is often fused with socio-cultural and religious conservatism, including a steadfast conviction to neoclassical economic theory and an avid emphasis on reducing the public spheres role in the economy through privatization, reductions in taxes and corporate welfare (MacDermid and Albo 2000; Brooks 2009).

go bankrupt. The NDP government also proposed increases on business taxes and efforts to strengthen environmental and equity rights. But the NDP's time in office was marred by its own shift towards anti-labour politics towards the end of its term. High levels of business opposition to Rae's government, combined with the NDP's adoption of deficit reduction and balanced budgets as a means of resolving economic problems, including the notorious reopening of labour contracts and an imposed "social contract" on public sector workers, marred the NDP's term in power and tainted relations with organized labour (Panitch and Swartz 2003).[5]

Business opposition to the social democratic government, the growing credence of neoliberal policies, and the fragmentation with the Left laid the foundation for the PCs to ride the tide of populist uncertainty and escalating economic insecurity amidst the deep recession of the early 1990s. Elected in 1995, Harris' platform signaled the integration of neoliberal orthodoxy along simple, straightforward and easily conveyed messages - tax cuts, less government, welfare reform and enhanced business investment - all captured under the party's platform slogan "Common Sense". Upon coming to power, the Harris government worked diligently to undo a number of progressive changes enacted during the tumultuous tenure of Bob Rae's New Democratic Party (NDP) government. They established the Red Tape Review Commission, whose aim was to eliminate policies that impeded competitiveness or placed "inappropriate regulatory measures" on businesses. The PC's also introduced Bill 7, which repealed the amendments to the *Ontario Labour Relations Act* introduced by the NDP through Bill 40 and reformed union certification procedures. This included substantially rewriting Ontario's labour and employment laws in order to make the province "open for business" by replacing automatic certification following card signing with an election model using secret ballots, eliminating the prohibition of replacement workers during strikes, reducing the threshold to trigger decertification, and repealing the rights of agricultural and domestic workers' to unionize. In the years following Bill 7, the PC's introduced a series of changes to Ontario's

[5] The dynamic reach of capital obstructed the NDP at every move to the point where, despite capitulating to business interests, the organized and collective class-war from above sealed the NDP's fate in Ontario (Walkom 2002; Kaplan 2010). This is also demonstrative of the continuing theoretical and concrete challenges plaguing "third way" social democracy as capital was unwilling to renege on the crumbling class compromise that had characterized the post-War years.

Employment Standards Act as well, which included the extension of the work week to 60 hours, four-week averaging of overtime, and freezing the minimum wage at $6.85 for nine years (Kozolanka 2007; Thomas 2009; Workman 2009).

The PCs' tenure from 1995 to 2003 radically reoriented the province along the lines of neoliberalism. In response, this led to the Days of Action movement throughout Ontario that mobilized labour and community groups in opposition to the ever-increasing penetration of Harris' neoliberal program. Despite the deepening reality of class polarization, however, internal fractures among the Days of Action participants, such as that between more moderate and radical labour unions, and tensions among community groups and anti-capitalist activists, stymied its progression into an alternative political project and led to its eventual demise (Leach 2002; Goldfield and Palmer 2007).

Dalton McGuinty's Liberals were elected to the Ontario legislature in 2003 amid a torrent of backlash directed at the governing PC's. McGuinty, who had first been elected as a Liberal Member of Provincial Parliament (MPP) in 1990 and was elected party leader in 1996, ran on a platform that prioritized public sector healthcare and education, environmental protection and a tax freeze. Amid mounting backlash against the Conservative government, especially around the shooting death of native protestor Dudley George at Ipperwash and the tainted water scandal in Walkerton, McGuinty was able to position himself as a "moderate", becoming Premier of Ontario in 2003 and gaining a Liberal majority. Centrist/progressive intimations notwithstanding, McGuinty prioritized as his first task the tackling of the $5.6 billion deficit inherited from the PCs, indicating that his underlying orientations were in fact neoliberal. Despite modest investments in health and elder care, education, municipal transfers and social assistance, as well as annual increases to the minimum wage, these improvements still failed to repair/counteract the significant cuts enacted by Harris. In fact, McGuinty's tenure has been wrought with rescinded promises that quietly consolidated and extended the earlier core of Harris' project. These include the privatization of services formerly covered under the Ontario Health Insurance Plan, such as eye examinations and physical rehabilitation, the imposition of a staggered health premium ranging between $60 and $900 per year, reneging his campaign promise to close all coal-powered plants by 2007, and the weakening of the Environmental Assessment Act in order to

exempt the Liberals' energy plan from review.[6] In key ways, then, this can be seen as the adaptation of a neoliberal orientation, though in a less overt form than Harris, by a government that took power by positioning itself through centrist politics.

Elected to a second mandate in 2007, McGuinty's campaign benefited from PC leader John Tory's highly controversial plan to extend public funding to faith-based schools. The NDP failed to galvanize public support with a platform premised on holding the line on MPP pay, tax breaks for the "everyday" worker and modest investments in public services. Absent was any notion of its earlier proposals for public auto insurance, wealth and inheritance taxes, or any fundamental challenge to big business or the neoliberal paradigm.[7] McGuinty's 2007 election marked the first time in 70 years that the Liberals have been able to secure back-to-back victories in Ontario since 1937, despite the all-time lowest voter turnout (CBC News 2007a/b).[8] All things considered, the 2007 election revealed the public's growing apathy for electoral politics, as well as disconnect between those striving for electoral reform and the general populace.

In the summer of 2007, what would generally become known as the Great Recession was quickly spreading throughout the globe. Initially centered in the US "sub-prime" housing market, a cascading liquidity crisis ravaged property markets as the exotic financial instruments meant to safeguard risk were increasingly showing themselves to be "toxic", that is, valueless. As bank failures spread throughout the US and Western Europe, including the pre-emptive bailout of Canadian banks by Prime Minister Stephen Harper's Conservatives, it was increasingly becoming clear that the current recession was unmatched in severity and scope since the Great Depression of the 1930s (Evans and Albo 2010; Fanelli and Hurl 2010; Panitch *et al.* 2010). With the war against inflation more or less stable in the preceding decade, corporate and personal taxes at all time lows and

[6] In particular, see Ontario budgets 2004-2007.

[7] Of importance also was the growing influence and higher polling of the Green Party, though any expectations of a more radical platform has subsequently been tempered given the party's fidelity to an eco-capitalist platform that mirrors many of the Liberal party's proposals, though in environmental rhetoric (Zimmerman 2009). .

[8] Of special importance, too, was the historic referendum on whether to move from a first-past-the-post to mixed member proportional representation electoral system. Amid exceptional public confusion, right-wing propaganda and lack of popular understanding, the measure failed with only 37 percent of the vote in favour (Howlett, 2007; Fenlon 2007; CBC News 2007c).

corporate profits nearing the highs of the 1960s, neoliberalism suffered its biggest ideological blow when, in light of the crisis, its leading guru Alan Greenspan admitted he had put "too much faith in the self-correcting power of free markets and had failed to anticipate the self-destructive power of wanton mortgage lending" (Andrews 2008), thereby raising the prospect of a possible return to Keynesian oriented social and economic policies. Despite the admission of "moral hazard" and the widespread declarations of neoliberalism's impending demise, however, the Global Financial Meltdown has thus far shown itself to be little more than a temporary legitimacy crisis. In fact, contrary to the return of Keynesianism (Fernandez 2009), neoliberalism has re-emerged hardened and emboldened in a revitalized form.

Throughout McGuinty's terms, he has shown himself to be a much more sophisticated and nuanced neoliberal than his predecessors. By reversing some (but not all) of the labour market reforms made by Harris, introducing new public management techniques in health care via P3s to build hospitals and the introduction of Local Health Integrated Networks to rationalize the health system along market pressures, including a focus on supply-side labour market responses to unemployment through Second Career/retraining (Armstrong 2001; Loxley 2010), McGuinty's Liberals have shown themselves much more comfortable veering between stringent neoliberal orthodoxy and political opportunism. For instance, McGuinty's political brinkmanship includes counter-measures such as the raising of the minimum wage over several years after taking power[9] and investments in the automotive industry. Despite some modest "pump-priming", most visible in the short-term stimulus of $4.6 billion for infrastructure and $2.2 billion for post-secondary funding, as well as the $3.5 billion bailout of General Motors, these measures have been matched by tax shifting for competitiveness, wage repression, and the streamlining of public sector services (Ontario 2009, 2010). As the transition from "rescue strategies" to "exit strategies" turns sharply, Ontario provides a vivid portrait of the ongoing metamorphoses of core neoliberal policies.

[9] In the course of writing, the raising of the minimum wage was subsequently frozen at $10.25. McGuinty justified this act by citing the need to help "employers", as opposed to employees, "get back on their feet". Despite billions of dollars in corporate welfare amid rising food, housing and energy costs, minimum wage earners are expected to shoulder the brunt of so-called restraint measures (n.a. Toronto Star 2011).

Responding to the Crisis: The Open Ontario Plan (OOP)

The government clearly signaled its intention to embrace neoliberal austerity measures in Finance Minister Dwight Duncan's budget speech on 8 March 2010, during which he introduced the OOP (Ontario 2010a). In both name and policies, the Plan signaled a new era of austerity in the course of reorganizing neoliberalism to reassert its legitimacy as both political philosophy and policy orientation. In seeking to reestablish the ideological legitimacy of neoliberalism and, therewith, ensure that the brunt of bailing out capitalism (and neoliberalism) is borne by the working class, the Ontario government is integrating aspects of both deregulation and austerity. In May 2010, the government introduced the *OBA* as a key component of this plan. The *OBA* was part of a much larger government initiative to create a climate favorable for business in the province, with the government claiming it would do this while simultaneously protecting the environment and the broader public interest (Ontario Ministry of Labour 2010a). The wide ranging Act, with over 100 proposed amendments to various pieces of legislation, included provisions to establish a "modern, risk-based" approach to environmental approvals, as well as new procedures to enable "efficient resolution" of employment standards claims. The Act also included amendments to facilitate easier access for some foreign trained professionals to employment in Ontario. The government framed the *OBA* as legislation that would promote new and transparent relationships between business and government, while also providing protections in areas such as environment and employment. Sandra Pupatello, Ontario Minister of Economic Development and Trade, described the Act as follows:

> Our government is committed to helping businesses focus on what they do best - creating jobs for Ontario families. We can protect the public interest without creating unnecessary barriers to business. The *OBA* will save businesses both time and money (Ontario Ministry of Labour 2010a).

Clearly, the articulation suggested here implies that "modern" government ought to enhance (rather than impede) "competitiveness", while the seemingly neutral chimera of "prosperity" obscures the class dimensions of the public interest. Interestingly, the frame of "modernization" is not new; it was a catchword of Harris-era employment standards reforms as well, when Harris' government "modernized" employment standards by introducing a 60-hour work week, freezing the minimum wage, and

allowing for the averaging of overtime hours so as to undermine overtime premium rates (Thomas 2009).

Ontario's business community was clearly in favor of the kinds of deregulatory measures found in the *OBA*.[10] For example, Len Crispino, President & CEO of the Ontario Chamber of Commerce, claimed:

> Concrete measures to reduce red tape in Ontario are long overdue, particularly in the areas of labour and environment. Improvements will allow our members to spend more of their money advancing productivity and creating jobs, both of which are vitally important for Ontario's prosperity, rather than dealing with onerous and sometimes contradictory regulations (Ontario Ministry of Labour 2010a).

The OOP emphasizes five central courses of action: (1) tax relief; (2) a wage freeze for public sector employees; (3) privatization of public assets; (4) the development of "innovation corridors" to promote inter-provincial trade; and (5) reforms to "modernize" employment standards legislation. First, like the federal Conservatives, the government of Ontario lowered the general Corporate Income Tax (CIT) rate from 14 percent to 12 percent and it will be further reduced to 10 percent by 2013-14. This also included the lowering of the CIT for manufacturing and processing from 12 percent to 10 percent, while small businesses saw the CIT cut from 5.5 percent to 4.5 percent and the small-business deduction surtax eliminated. This will make Ontario's CIT among the lowest in the OECD. The Corporate Minimum Tax was reduced from 4 percent to 2.7 percent in 2010, with more small and medium-sized businesses now made exempt. Likewise, the Capital Tax has been completely eliminated.[11] Following suit, personal

[10] Similarly, Elyse Allan, President and CEO of General Electric Canada, offered the following: "I applaud the government's move to reduce business costs by streamlining regulations and harmonizing them with other jurisdictions where possible. The reforms in the procedure for environmental Certificates of Approval, for example, could bring significant benefits to GE and other companies. With regulatory simplification and recent changes in the tax structure, the Ontario government has taken important steps to make Ontario an attractive place for companies to invest and create jobs" (Ontario Ministry of Labour 2010b).

[11] This was a small surcharge of 0.3 percent on the first $400 million of taxable capital, 0.54 percent for non-deposit taking financial institutions with taxable capital over $400 million and 0.67 percent on deposit taking financial institutions with over $400,000 million in taxable capital. This translates into a $500,000 million per year subvention for companies like Rogers, Thompson-Reuters, Manulife, Royal Bank, Suncor and their kinfolk.

income tax cuts have also been enacted.[12] All in all, following the full phase-in of Ontario's comprehensive tax reforms, the marginal effective tax rate, which measures the tax burden on new business investment, will be cut in half by 2018. As such, businesses will be subsidized by $4.6-billion from tax cuts on income and capital over the next three years under the guise of stimulating "competitiveness" and attracting investment.[13] However, while personal income tax cuts have a broad populist appeal, especially given large personal debt loads and rising consumer prices,[14] such corporate giveaways and tax reductions have been shown to have a negligible impact on job creation (Whittington and Delacourt 2011).

Second, on 25 March 2010 the Ontario government enacted the *Public Sector Compensation To Protect Public Services Act*. Affecting roughly 16 percent of Ontario's workforce, the Act imposes a two-year wage freeze for 350,000 non-unionized public sector workers, while also indirectly affecting 710,000 unionized public sector workers that are being asked to take a "voluntary" two-year wage freeze. Premier McGuinty and Finance Minister Duncan have forcefully insisted that their government will not fund net compensation increases to operational costs associated with collective agreements, thereby indirectly stifling free collective bargaining.[15] Both McGuinty and Duncan have consistently reiterated that they are not ruling anything out when it comes to legislating austerity, wage freezes or furloughs (Ferguson and Benzie 2009). Such measures will allegedly "save" the government $750 million over two years. Equally important, McGuinty has urged Ontario municipalities to follow their lead

[12] For instance, the tax rate on the first $37,106 of taxable income has been reduced by 16.5 percent, from 6.05 percent to 5.05 percent, while those earning up to $80,000 per year saw a tax cut of 10 percent.

[13] Meanwhile, nearly $1 billion will be lost by the government owing to cost overruns at public-private-partnerships and the introduction of privatization measures (OMF 2010a/b; OPSEU, n.d.).

[14] In Ontario, the Consumer Price Index rose 2.9 percent in the 12 months to January 2011, after advancing 3.3 percent in December 2010, with the highest increases coming in fuel, food, footwear, clothing and personal vehicle insurance (Statistics Canada 2011

[15] Of positive note here is the arbitration decision by Norm Jesin awarding 17,000 workers in long-term care homes a 2 percent wage increase for 2010. In his ruling, Arbitrator Jesin said that employers and labour leaders must respond to economic decisions, not a government's fiscal policy, in setting wages (Benzie and Ferguson 2010). In a similar ruling, Arbitrator Martin Teplitsky, defying the Liberal's proposed wage freeze, awarded University of Toronto faculty and librarians a 4.5 percent wage increase over two years. Refusing to appear a "minion of government" and "compromise my independence", Teplitsky noted his ruling echoes average private sector wage hikes at 2.3 percent over the year in Ontario (Brown 2010).

and impose a five percent cut in expenditure growth while freezing wages, warning that he could have "imposed" this on cities (Benzie and Maloney 2010). In suggesting that Ontario's 139,000 municipal workers make a "sacrifice", opportunistic mayors and councilors throughout Ontario have been squeezing the austerity vice-grip (most visible in the policies of Toronto's newest mayor, Rob Ford).

Nevertheless, the Ontario Ministry of Finance, echoing McGuinty and Duncan, reiterates the need for "everyone who is paid through taxpayer dollars to do their part" (Ontario Ministry of Finance 2011). But, of course, not only does compensation restraint not extend to the private sector, it excludes those most generously remunerated by public tax dollars. The restraint measures exclude public sector managers and CEOs who are still entitled to "performance-related" pay and bonuses. This means, for instance, that CEOs in public sector organizations are not included, such as University Health Network CEO Robert Bell (paid just under $831,000 per year) and OMERS CEO Michael Nobrega (at about $1.9-million per annum), and neither are corporations heavily dependent upon public sector contracts, such as P3s, or for-profit companies like Extendicare and its CEO Tim Lukenda (at $1.5-million in yearly total compensation). The restraint act targets workers earning between fifty and twenty-five times less and particularly impacts women in the public sector due to gendered pay differentials (SEIU 2010). Moreover, average public sector wages in Ontario did not return to their real 1992 levels until 2008, an improvement this restraint act undermines by freezing pay and thereby restarting a dynamic that will once again contribute to the deterioration of public sector wages.

Third, the Ontario government is contemplating the massive privatization of public goods and assets in order to pay down its deficit (Benzie 2010). McGuinty's Liberals recently paid $200,000 to CIBC World Markets and Goldman Sachs to create a white paper proposing the creation of "SuperCorp". The idea behind the mega-corporation would be to combine Ontario's Crown assets, including nuclear power plants, power generation facilities, 29,000 kilometers of electrical transmission and distribution lines, six-hundred plus liquor stores and gaming operations, in order to package and sell it off bit by bit. By ceding "fiduciary control", the government alleges the $60 billion could be put to better use by private investors, meanwhile serving the public's interest by paying down the debt. One-time fiscal injections, however, are hardly a remedy for chronic under-funding and systemic undermining. In the meantime, though, it seems that the selling of Crown assets has been shelved in order to deal

with the politically sensitive task of wage freezes and the shrinking of the public sector as a whole.

Fourth, the provincial government is engaged in the development of "innovation corridors" to promote inter-provincial trade and investment. The Ontario-Quebec Trade and Cooperation Agreement signed between the provinces on 11 September 2009, which extends previous agreements, is "designed to increase investment and trade between Ontario and Quebec, promote innovation and reduce long-standing barriers to business" (Economic Development and Trade 2011; Quebec-Ontario Trade and Cooperation Agreement 2009). As the fourth largest economic zone in North America, the explicit aim is to create a common economic space, including "precedent-setting" chapters on financial services, energy, transportation and regulatory cooperation, in order to compete against the next largest geo-economic zones (New York, California and Texas) and rising opponents (e.g. the Maritimes and western provinces). With a combined Gross Domestic Product of over $800,000 billion in 2007, and cross-border trade valued at over $70 billion in 2004, the Agreement is unambiguous in its efforts to "liberalize trade and…enhance economic integration." Furthermore, the Ontario-Quebec Continental Gateway and Trade Corridor strategy aims to focus on the development of the region's high-technology, infrastructure, agriculture and manufacturing industries, as well as tourism and multimodal transportation systems that aim to improve the flow of exports to the US and other trade partners. Central to this Agreement is the push for further opening and integrating markets, increasing labour productivity and enhancing competition between and within jurisdictions. Moreover, like the North American Free Trade Agreement and the Canada-European Union Comprehensive Economic and Trade Agreement (currently under negotiation), the Ontario-Quebec agreement seeks to open up the public procurement of contracts by instituting a reciprocal non-discrimination clause that mandates the P3 route (Sinclair, 2010). Such an investor-state dispute mechanism, as is most blatantly visible with NAFTA's Chapter 11, essentially cedes democratic control and decision-making processes away from local communities and toward business interests that could sue any tier of government should they impinge upon their "right" to profit.

Finally, the *OBA* contained a series of measures designed to "modernize" employment standards legislation in Ontario. As part of the OOP, Bill 68 replicates Alberta's and BC's "self-help" model for complaints and enforcement pertaining to the Ontario *Employment Standards Act*. Under the proposed changes, an employee would need to address the

issues directly with their employer in advance of government intervention (Ontario 2010b). In turn, the employer must respond directly to the employee within a certain period of time. Should the employer fail to respond within a certain time frame, the Ministry of Labour would seek a response on behalf of the employee. In other words, employees are expected to make all "reasonable efforts" to resolve the dispute individually on a case-by-case basis.[16] The Bill would mandate workers to first confront the employer before filing a complaint regarding owed back-pay, wrongful dismissal, harassment, vacation and overtime. When the "self-help" system was introduced in BC in 2002, employment standards complaints from workers dropped 46 percent (*ibid*). While the government may attribute the drop in reports to improved dispute resolution mechanisms, given the extreme power imbalances in capitalist workplaces, a much more likely explanation is that the drop reflects the unwillingness of workers to confront their employer for fear of retribution.

The "modern" employment standards of the *OBA* also place responsibility on individual workers to collect the information for their complaints and allowing Employment Standards Officers the ability to make decisions "on the best information available", thereby reducing expectations for a more rigorous and proactive inspections process (Ontario 2010c). If an officer determines that there is insufficient evidence provided by an employee, then the officer may determine there is no violation. Officers are also given a new role in negotiating a mediated settlement (Ontario 2010d). The implications of this amendment to the ESA are twofold. First, it promotes voluntarism by creating the potential for employers to resist the process if they feel it will not work in their favor. Second, it privileges a mediated settlement over an actual award, which may expedite the claims process but could reduce the value of the settlement achieved by a worker. Regardless of the outcome of individual settlements, this orientation represents a transformation in the role of ES officers from those who make judgments based on fact-finding to mediators in a process that assumes two equal parties, when in fact the parties are far from equal.[17]

[16] In a recent article in the *Toronto Star*, construction worker Raul Aguilera, describing his battle for unpaid wages against one of his former employers in BC, poses it thus: "How would you feel if you got robbed but couldn't report to the police unless you had first confronted the robber and asked for your money back?" (Keung 2010).

[17] In addition to the OBA, the Ministry of Labour struck an Employment Standards Task Force to address the backlog of 14,000 accumulated ES complaints and has given the Task Force a two-year mandate. The Task Force will investigate these claims through reviews of written

According to the Ontario Ministry of Labour, the aim of ES modernization is to "establish services that achieve fairness for workers, while helping business to be increasingly competitive in the global economy" (Ontario 2010c). The assumption behind the changes to the employment standards complaints procedures is that "[m]ost employers want to do the right thing and they will often remedy the situation promptly and voluntarily, if they agree there is a valid claim" (Ontario 2010c). However, the new reforms to the ESA emphasize an individualized, privatized, and voluntary process for regulating ES complaints and settlements. Building on a decades-long legacy of ineffective employment standards regulation, the *OBA* entrenched an individualized, complaint-based enforcement model that is likely to heighten conditions of labour market insecurity at a time of growing economic polarization.

All tings considered, the OOP forecasts seven years of austerity extending to 2017-18, when the budget will purportedly be balanced. Should this happen, as Evans and Albo (2010) show, this will result in a 20 percent contraction of Ontario's public sector economy (from 19.2 percent of GDP to 15.5 percent), thereby reducing the public sector's share to levels corresponding to the period of Harris' Common Sense Revolution. Perversely, these measures have not slowed representatives from the business community from arguing that Canada's labour laws are "too restrictive".[18] This is a thinly veiled effort to restart talks aimed at undoing the Rand Formula, a definitive element of Canada's postwar settlement labour legislation. It is clear, therefore, that despite the temporary legitimacy crisis of neoliberalism, its most passionate proponents are emerging emboldened and on the offensive amid the lack of a sustained political fightback from labour.

evidence and telephone discussions, and in some cases in-person meetings (Ontario 2010d.). The new complaints procedures that place onus on complainants to provide evidence of ES violations will shape the process as "officers will make decisions on the available evidence" (*ibid*). Additionally, the Task Force will utilize the new emphasis on voluntary, mediated settlements as a means to resolve claims and to create a more efficient process (*ibid*).

[18] Seizing a ripe political opportunity, Catherine Swift of the Canadian Federation of Independent Businesses used the week of Labour Day 2010 to argue, "When it comes to forcing workers to join a union and pay dues, Canada increasingly stands alone on this" (CFIB 2010).

Toward Recovery or Relapse?

Contrary to economic recovery Canada and Ontario, paralleling international instabilities, are by no means out of the Great Recession.[19] In fact, between October 2008 and October 2010, national unemployment remained at 7.8 percent, above the pre-recession rate of 6.2 percent but below its 2009 (8.7 percent) peak (CLC 2010; Grant 2011a). When considering discouraged workers and involuntary part-timers, Canada's "underutilization" rate rises to 10 percent. Nevertheless, since the recession, the quality of work has continued to degrade with most new positions being part-time, temporary or self-employed. This has hit youth (15-24), the elderly (55 and over), women and racialized persons especially hard as long-term unemployment has surged from 15 percent before the downturn to nearly a quarter of jobless people ever since (Grant 2011a/b).[20] Meanwhile, the most recent report from Statistics Canada shows that Canadians' debt-to-disposable income ratio reached 148.1 percent, which is higher than in the US at 147.2 percent, and a 6.7 percent increase in household obligations from one year ago (Matthieu 2010). With fears of a looming housing bubble in Canada, as the Bank of Montréal (CTV 2011b) recently reported, estimates suggest that Ontario's housing market is "overvalued" by 10 percent. Given mounting debt-to-financial assets and historic levels of rising bankruptcies, a sudden depreciation in the value of households could have disastrous implications as many households continue to substitute consumption from income with consumption from credit-debt (CGA 2009; MacDonald 2010). This has left policymakers with a Herculean dilemma: restrict spending by raising interest rates and risk prematurely hampering the recovery, or do nothing and risk a cascading future economic crisis? Both options are complex. A sudden shock, such as sharp increases in interest rates, a drop in the value of households and/or deteriorating labour market conditions, could trigger unprecedented personal and corporate bankruptcies, in addition to a banking crisis akin to that which ravaged the US economy and worldwide. With interest rates expected to rise in mid-2011, having already risen three times since June 2010, and declining real wages since the onset of the crisis, the frontier

[19] This sentiment was reflected in a recent Canadian Press Harris-Decima survey that found 59 percent of respondents believed Canada was still in a slump (CTV News 2011).

[20] The deteriorating quality of jobs, according to the Ontario Association of Food Banks, is also a significant factor in the growing usage of food banks, which have risen twenty-eight percent since 2008, given mounting food costs, utilities and rents. This has hit single parent households, particularly women, especially hard (Monsebraaten 2011).

separating recovery from relapse is increasingly blurred. With many Canadians borrowing heavily on their personal lines of credit, and with many loans secured against the value of their homes, the Bank of Canada has been hesitant to intervene since other aspects of the economy are so dependent on historically low interest rates. Rather, the Bank of Canada prefers the Department of Finance use its control over mortgage insurance rules, such as maximum amortization periods and minimum down payments standards, to cool the housing market. Both options, however, could be playing with fire, especially considering Europe's growing debt crisis, widening gaps between imports and exports among countries, creeping protectionism amidst specific liberalization measures, and the stark realization that cheap credit will not last forever (Panitch *et al.* 2010; Callinicos 2010; Georgious 2010; Lapavitsas *et al.* 2010). Bearing this in mind, Ontario's responses to the Great Recession, like elsewhere, are by no means certain to result in economic recovery or, more importantly, improved living conditions for those hardest hit by the crisis.

Conclusion

As we have argued throughout, all indications suggest that neoliberal governments will intensify attacks against the working class in the name of stimulating recovery. More specifically, austerity measures will include expenditure restraint and zero-growth measures, privatization of public services and assets, increased confrontations with trade unions over wage restraint, and the undermining of employment standards legislation. Despite the appeal to collectively bear the burden of capitalism's most recent periodic crisis, the disproportionate burden borne by the working class diverges significantly from the government's narrative of "sharing the pain" collectively.

Resistance to austerity, though not yet broad based, is nonetheless emerging. While demonstrations of discontent have manifested unevenly throughout Ontario, new forms of political action, mobilization and organizing have created new openings for voicing opposition to neoliberalism and capitalism. One such re-groupment effort is taking shape in the form of workers' assemblies such as that in Toronto, and emerging in Ottawa and Kingston. Though still in its infancy, the Greater Toronto Workers' Assembly is emphatically anti-capitalist in its approach in seeking to push the strongest elements of the organized labour movement toward class struggles and beyond individual affiliates (Rosenfeld and Fanelli 2010). The assembly process works on a number of levels. It seeks to create a new form of working class organization, bringing together

working people in unions, in communities, the employed and unemployed and those who are unable to work. Additionally, building on a militant, anti-capitalist class orientation, it aims to address forms of division and segmentation that (neoliberal) capitalism works to conceal and sustain. While the Assembly has thus far surpassed the expectations of many, even a short political memory shows that unexpected shifts in political and economic climate can quickly derail progressive political interventions. Indeed, the current fragmented state of movement politics has left many frustratingly marginalized, unable to reverse or reshape the political agenda. Overcoming it entails developing organizational forms that can actually win substantive changes, within and beyond the workplace, let alone attempt radical undertakings.

Given the significant rise of right-wing populism throughout North America and Europe, it is clear that a third McGuinty term is by no means inevitable. Recent missteps, such as the introduction and subsequent retreat from "eco-fees" that charged levies ranging from a penny to $6.66 on products, the $1 billion eHealth scandal, a damaging Ombudsman's report criticizing Ontario's troubled Local Health Integration Networks, a large cut in rates for solar energy projects that angered farmers, a 46 percent projected rise in hydro costs over five years, flip-flops on mixed marital arts and online gambling, the removal of the "special diet" food subsidy for those on social assistance, as well as the clear and blatant abuse of police powers during the Toronto G20 summit that witnessed the single largest mass arrest in Canadian history, have tarnished the Liberals' political fortunes. In fact, a September 2010 *Toronto Star-Angus Reid* survey found that 76 percent of respondents want a new government in power, with a majority of decided voters preferring the Conservatives. That same survey, however, found that nearly 60 percent of respondents were against the privatization of Crown assets (Benzie 2010b).[21] Nevertheless, Ontario continues to remain one of the hardest hit economies from the financial crisis and the PC's may emerge in this context to re-take provincial Parliament.

In conclusion, the *OBA* in Ontario was introduced as neoliberal governments across North America and Western Europe championed

[21] Similarly, a poll conducted over late January and early February found that only 23 percent of voters believe that McGuinty would make the best premier. The poll places McGuinty nine percentage points behind PC leader Tim Hudak where, compared with a year earlier, the percentage of Ontarians considering him to be the best candidate for premier has risen from 17 to 32 percent (McArthur, 2011).

austerity measures. As Forbes economists Brian Wesbury and Robert Stein (2010) proclaimed, "[t]he time for austerity has come." They could not have been more correct: in 2010, austerity became the policy prescription for North American and Western European economies reeling from the economic crisis.[22]

As governments in Canada follow suit with legislation such as the Ontario *OBA*, those targeted by such measures can gain courage from the growing resistance elsewhere to assert that there is *always* an alternative. Nonetheless, it is difficult to imagine a new union or social justice movement emerging in Ontario given the historic tensions and isolation of political forces on the Left. Working toward this goal necessarily entails developing our collective capacities as a class, while rooting them in organizational structures capable of transcending the profound pessimism and defeatism borne by recent experiences. Rooting political fightback, as Marx and Engels (2002) once remarked, in the "Lazarus-layers" of the working class means challenging the logic of the market in such a manner that our movements' capacities grow in mutually reinforcing ways, not just as individuals or an isolated union local or community group, but as a class. Of course, rebuilding and transforming formal union structures is a necessary task, as is putting back on the agenda the task of building a mass socialist movement. New organizational experiments such as that in Toronto, Ottawa and Kingston are notable starting points that contain in germ the seed of great promise. We conclude with Engels (1969), who provides a clear reminder of the need for the labour movement, activists and community groups to challenge austerity measures and "proclaim that they, as human beings, shall not be made to bow to social circumstances, but social circumstances ought to yield to them as human beings; because silence on their part would be a recognition of the social conditions, an admission of the right of the bourgeoisie to exploit the workers in good times and let them starve in bad ones."

[22] For example, following IMF dictates in order to secure loans to prevent bankruptcy, the Greek, French and British governments passed budgets with severe spending cuts to education, health care, pensions and wage controls (Smith 2010; Chrisafis 2010; Mulholland 2010). These austerity measures appear as the beginning of what could be a major capitalist assault on working class people. While the specificities of European austerity measures vary in each case, in each case they have been met with opposition and growing resistance as the Greek, French and British cases illustrate.

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