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

The Politics of Public Sector Wages
Ontario's Social Dialogue for Austerity

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Abstract
The economic crisis has revealed the extent to which sustaining the key tenets of the 'Common Sense Revolution', implemented by the Conservative government of Premier Mike Harris, have eroded the fiscal capacity of Ontario. The proposal to freeze public sector wages and the ensuing consultation with public sector unions and employers in the spring/summer of 2010 signal Ontario is about to return to the rollback neoliberalism that dominated the 1990s. The difference between now and then is the more defensive posture of organized labour and the limited capacities that exist to resist such an assault.

Résumé
La crise économique a révélé l'étendue avec laquelle le maintien des principaux principes du 'Common Sense Révolution', introduits par le gouvernement conservateur du Premier Mike Harris, a érodé la capacité fiscale de l'Ontario. La proposition de geler les salaires de la fonction publique et la consultation qui s'ensuivit avec les syndicats et les employeurs du secteur public au cours du printemps et de l'été de 2010 indiquent que l'Ontario est sur le point de retourner au néolibéralisme qui dominait les années 1990. La différence entre aujourd'hui et hier est la position plus défensive du mouvement syndical et les capacités limitées qui existent pour s'opposer à une telle attaque.

Keywords
austerity; consultation ; Liberal-Labour; social contract; Third Way,

Mots-clés
austérité; consultation; contrat social; libéral-travailliste; troisième voie

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A recent issue of *The Economist* observed that industrial relations were once again back at the centre of political debate. Unlike the battles of the 1980s, this one pits public sector workers, with their superior wages, job security and pensions, against everyone else (*The Economist* 6 January 2011a). Of course, this latest criticism of public sector compensation fails to acknowledge how 30 years of falling union density and deindustrialization in the private sector has contributed to this growing gap. Ontario's 2010 Budget signalled such a confrontation was looming in that province. A seven-year program of public expenditure constraint was announced and legislation introduced freezing the incomes of 350,000 non-union and management public sector workers for two years. Moreover, the unions representing the remaining 700,000 public sector workers were invited to engage in a social dialogue process that would lead to a negotiated, and voluntary, two-year wage freeze. Comparison with the New Democratic government's Social Contract was inevitable but this was no replay of that fateful exercise.

This paper will situate the compensation restraint consultation as the opening shot in what will inevitably lead to a deepening of public sector austerity in Ontario. The origin of this current episode of fiscal crisis can be found in the Liberals' fidelity to the fiscal policies of the Common Sense Revolution. For their part, labour's political defensiveness, sectionalism, and compressed political horizons have presented the Liberals with a reluctant ally with few existing capacities for resistance. And finally, the legalization of labour relations has in this instance further demonstrated that there is no alternative to class-based mobilization and organization in building a political alternative capable of offering up serious resistance.

A Flawed Design or a Process for Charter-Proofing?

The scope of Ontario's broader public sector and the complexity of the labour relations environment is illustrated with a few statistics. As of 25 October 2010, there were 3,893 collective agreements covering 844,796 workers represented by no fewer than 79 unions. Some of the largest sectors are primary and secondary teachers (180,604 in five unions), school support workers (74,672 in nine unions), Ontario Public Service (50,893 in five unions), hospital nurses (53,264 in two unions), hospital support workers (85,507 in 16 unions), nursing homes (48,466 in 20 unions), community services (34,337 in 26 unions), and municipal (70,289 in 11 unions) (Ontario Ministry of Labour 25 October 2010). This organizational diversity is further complicated by differing internal

structures and political practices both between and within unions. Some unions have centralized decision-making structures, others less so. And politically, some unions have drifted closer toward the Ontario Liberals as a consequence of the decline of New Democratic electoral fortunes and the enduring threat posed by the populist Right Conservatives.

A Labour Relations Secretariat was created to provide "strategic analysis and advice to the government concerning Broader Public Sector (BPS) labour relations" and to co-ordinate the consultative process. The invitation to bargaining agents and employers stated the purpose of the consultations was "to provide opportunities for Broader Public Sector bargaining agents, employers and the Government to engage in a dialogue about how we can work together to manage compensation expense in a fair manner that protects key public services" (Labour Relations Secretariat).

The consultations began 9 August and concluded 3 October 2010, and were organized into three phases consisting of a number of tables. Each table was composed of representatives from several unions, sector employer associations, and government spokespeople/negotiators. A general conclusion was that the design of the consultation process was not suited to trade unions spanning sectors and sub-sectors and the diversity of decision-making traditions and structures employed. Some were highly centralized and cohesive while others were highly decentralized. Moreover, various consultation tables brought together unions and employer associations that were seen to have a "common interest" but this was rather unwieldy. These sessions were shared with other cross-sector delegations from the Service Employees International Union (SEIU) and the Canadian Autoworkers (CAW) as well more localized university faculty associations and other unions representing public service professionals such as lawyers, engineers, doctors, and policy analysts. The goal for each table was to negotiate a "framework agreement" that could be implemented locally. This was highly problematic given the number of unions representing workers in discrete sectors such as education and health. An employer-side labour law firm noted how this design would make it very difficult to arrive at a framework agreement. How employers in different sectors would be able to negotiate with unions representing workers in different sectors was an open question unless the negotiations were structured by sector, such as health, education, core public service (Kennedy 2010). The Canadian Union of Public Employee's (CUPE's) position, like that of the Ontario Federation of Labour, was that all unions representing workers in a sector should meet together with the employer

and government representatives. This was the structure of the process used during the Social Contract negotiations which proved very difficult for many of the employers as one veteran government-side negotiator from that time has suggested. The finance minister, Dwight Duncan, responded to CUPE's proposal saying that other unions (it has been suggested these were Ontario Public Service Employees Union (OPSEU), the Ontario Nurses' Association and the SEIU) did not agree with such an approach and that this model had been tried by the New Democratic Party (NDP) in 1993 to well known results. The sectoral-based consultative model was not generally adopted but the consultations with CUPE proceeded to break out into sector tables: hospitals, long-term care/community care, education, social services, and municipal.

CUPE's strategy in negotiations was to centre the conversation on defending public services. The Ontario Council of Hospital Unions (OCHU) tabled five demands it considered key to the agenda of defending public services. These included a five year moratorium on each of the following: 1) hospital and emergency room closures; 2) expansion of public-private partnerships; 3) reductions in the number of hospital beds and services; 4) privatization of hospital services and 5) competitive bidding in the homecare sector. As reported by other participants, the government representatives tended to be rather junior and inexperienced and "it seemed they did not want to deal. There were never any tradeoffs" as one participant said. After two weeks the government produced a draft Framework Agreement that did not include any of the key issues raised by the union. Indeed the "taboo subject" as one trade union participant called it, was the government's corporate tax reduction policy. Government representatives emphasized this was not negotiable.

There were other problems both for the government and the unions that were initially more open to engaging in a consultation. OPSEU's governing Executive Board was split at its 13 September 2010 meeting where 9 of 19 Board members voted against continuing in the consultation process. Those opposed to the participation argued for sending a message of defiance to the government, while others saw defiance as pointless. The majority (10-9) opinion was that participating in the consultations protected the union on both the legal front (any refusal to participate in the consultations could become evidence in a future court case, to the union's detriment) and on the public relations front (if the government was seeking to orchestrate a public fight with unions to shore up its support on the right). OPSEU President Smokey Thomas's presentation to the government keyed in on the corporate tax cuts. Despite the division on

consultation tactics, the Executive Board voted unanimously to support the union's campaign efforts to oppose the wage freeze. That led to an extensive mobilization in the period of November 2010 to January 2011, with OPSEU mobilizers making more than 250 presentations to locals and holding more than 40 demonstrations. This campaign explicitly linked the wage freeze to corporate tax cuts. The campaign subsequently morphed into "People for Corporate Tax Cuts," an online campaign supported by advertising in key Liberal-held ridings around the province. Extensive consultations with eight other unions had failed to arrive at an agreement on a cross-union campaign.

The opposition to the process within OPSEU further held that the union's top leadership was interested in pursuing sector agreements with the government and that participation would lend the process legitimacy. "The strategy", as an OPSEU activist characterized it, "was to publicly oppose the wage freeze but privately to go back to the table and construct an agreement by sector". Therefore, the "opposition" in OPSEU, refused to support breaking out into sector tables as CUPE had done. Some were of the view that the only table where there appeared to be an employer mandate to actually negotiate was that of the Ontario Public Service. The SEIU agreed to participate in the process in "good faith" on the condition that a strategic discussion on home care issues be included in the negotiation. This would include such issues as the future of competitive contracting, successor rights, compensation for travel time and mileage, and for standardization and increases in pay rates for home care workers. A "Framework for Continued Discussions" was eventually arrived at but no further substantive discussions ensued.

And here is the zero sum of the government's strategy: that protecting public services was contingent upon an effective wage cut for public sector workers. This was not an acceptable first principle for many, if not all, of the unions given the commitment to continue with reducing corporate taxes. Had the government been open to entertaining a range of truly negotiable outcomes perhaps this would have been a viable first principle. At the same time, the unions and even more critical elements within the unions, did not pursue a campaign of resistance that would reach deeper within the unions themselves and beyond to other allies, both real and potential. As in the case of OPSEU, the split is based on internal leadership politics rather than substantive ideological differences. One activist's observation was that the question of "collaboration with the Liberals is a wedge issue" for the faction opposed to president Smokey Thomas. This is far from the more overtly class politics pursued by David

Rapaport's 2007 campaign for union president. Nonetheless, these consultations took place within a political and historical context where the governing Liberals, no longer enabled through an expanding economy, found their project running up against the enduring constraints established in the first years of the Harris government.

Ontario's Third Way: In the Long Shadow of the Common Sense Revolution

Canada's provinces have responsibility for delivery of core welfare state public services most notably health, education, social assistance and a myriad of social services that taken together compose the heart of Ontario's redistributive social policies. The financing of these services requires more than 70 percent of total provincial expenditures. Consequently, fiscal policy is particularly reflective of the distribution of class and sectional power in the provincial state. The 2003 election of the decidedly "social investment state" (Perkins, Nelms, and Smyth 2004) Liberals, was greeted as a departure from neoliberalism. It certainly was a departure from the open class warfare of the Harrisite Common Sense Revolution, but any suggestion that the arrival of the Liberals marked a rupture from neoliberalism is entirely based on a few redistributive measures, modest reinvestment is public services, and certain labor law reforms that improved, but did not fully roll back the Harris governments "reform" of labour policy (Bartkiw 2010).

The Liberals differentiated themselves from the Conservatives by contrasting their proposals to reinvest in public services and restore social peace. However, fiscal conservatism and balanced budget orthodoxy would remain intact. The Liberal platform committed to "keeping taxes down" as "Ontario workers and their families already pay enough" (Ontario Liberal Party 2003. Book #3, 5) and maintain balanced budgets. The Conservative plan to further cut corporate taxes was firmly rejected. In contrast, the Liberals argued "corporate taxes are already competitive" and that proceeding with tax cuts that would bring Ontario's corporate income tax 25 percent below that of its American Great Lakes states competitors would "compromise our ability to make investments that increase our productivity" (5). At the same time the Liberals drew a sharp contrast between their approach of establishing Ontario's competitive advantage through investments in support of skills and knowledge acquisition as opposed to the policies of the Harris-Eves governments' "race to the bottom" policy of tax cuts (7). Each party presented different visions of the neoliberal project. For the Liberals the provincial state had a strategic role in enabling a 'high road' progressive competitiveness policy through

policies serving to enhance human capital formation (skills training, post-secondary education) and sector specific investments in research and development and providing incentives for investment in strategic areas (Albo 1994).

From their first days in government the Ontario Liberals expressed a willingness to frame reinvestment in public services together with calls for public sector workers and their unions to restrain demands at the bargaining table. In other words, the maxim that there is a trade- off between protecting and expanding public services and the wages and salaries paid to public sector workers, was established early on in the Liberals first term with the prospect of "McGuinty Days" (Livingstone 2004). And the premier wrote in a press statement that "We've got to do more than just increase wages" (Urquhart 2004, F2). One cabinet minister noted that expenditures for compensation accounted for 75 percent of the money the province transferred to the broader public sector (Brennan and Benzie 2004, A1). There was no escaping the wage question. Rather than rolling back the personal and corporate tax cuts to address the $5.6 billion deficit the Liberals inherited from the Conservative government, the first Liberal budget would signal a continuation of the Common Sense Revolution's policy of public sector austerity.

The first Liberal budget focused on the tattered state of Ontario's public services. The "One Ontario" rhetoric of the campaign was re-engaged with the finance minister stating there would be no further "irresponsible tax cuts" that benefited a few and undermined the capacity "to provide public services for all" (Ontario Budget 2004 Speech, 1). Reinvestments key areas of only modestly reflated the public economy. The Canadian Centre for Policy Alternatives (CCPA) concluded that the program and capital spending planned for 2002-3 composed 11.9 percent of Ontario's GDP. The Liberals' 2004 budget expanded this to 12.5 percent of GDP (Ontario Alternative Budget 2004, 5-6). The Liberal promise to rebuild public services was predicated on balancing the budget and freezing taxes by flat-lining or cutting the budgets of non-priority programs. Ontario's public sector unions were enraged. A spokesperson for the Ontario Public Service Employees Union (OPSEU) said of the budget: "The first Liberal term in office is looking a lot like what a third Tory term in office would look like". The Conservative government's corporate income tax cuts, which the Liberals in opposition and through the election had so roundly criticized, were left in place. And Ontario's most vulnerable, the social assistance recipients who had their benefits cut by more than 21 percent in 1995 and frozen from that point forward, were

effectively left with a 35 percent rate cut based on the 1993 rate levels (CCPA 2004, 3). In this context, the Liberal 2003 win can be understood as a defeat of an openly class warfare style of neoliberalism but did not mark the defeat of neoliberalism itself. The continuity in a fiscal policy of tax cuts is the unquestionable source of Ontario's chronic revenue shortfall (CCPA 2007, 7).

Ontario's Exit Strategy: Consolidating Austerity

The 2010 budget delivered on March 25 was an expression that the cost of the Great Recession would not be equally shared. Just as evidence was mounting for the corporate sector's return to profitability, the cost of the crisis was shifted onto the public sector. The "we're all in it together" rhetoric and style that has been the Ontario Liberal trademark has arrived at an impasse. The 2010 budget forecasted 7 years of austerity extending to 2017-18. This can only be achieved through a dramatic shrinking of Ontario's public sector from a current 19.2 percent of GDP to 15.5 percent in 2017-18. This translates to a 20 percent contraction of Ontario's public sector, consolidating it at a size that corresponds to that which existed at the height of the Common Sense Revolution (TD Economics 25 March 2010, 1). Moreover a massive privatization of public assets including the liquor control board, the Ontario Lottery and Gaming Commission, public electricity producers and distributors was suggested but, at least for the moment, not acted upon (Evans and Albo 2010, 2).

The 2010 budget is most noteworthy for singling out the compensation paid to public sector workers as the most serious component of the fiscal crisis. The *Public Sector Compensation Restraint to Protect Public Services Act*, in one motion, made three points for the government. By freezing the incomes of non-union public sector workers and political staff, they picked the 'low hanging fruit' or in other words, the easiest group to regulate. Second, from a pure retail politics perspective, the action suggested the government was prepared to be tough with public sector workers. And third, the government sidestepped a confrontation with the public sector unions, a group it had been building political capital with since the 1999 election.

The argument for a wage freeze, followed by a protracted period of restraint, was situated within the global economic crisis. The government contended that reinvestment in public services and expansion of public sector employment was enabled by strong revenue growth. The economic crisis, however, "opened a significant fiscal gap" causing revenues to decline and expenditures to rise as stimulus spending rolled out

(Government of Ontario July 2010). The government position was based on three general points. The first cited inflation within the public sector. From 2003-2010, the Ontario government's program expenditures grew at an average annual rate of 6.6 percent and this was in part driven by wage settlements averaging 3 percent per year. This was compared to private sector wage settlements of 2.1 percent. The accumulated wage growth for the public sector for the period 2004-09 was 18.8 percent compared to 13.7 percent for the private sector. Furthermore, the government argued, the annual average rate of growth for public sector workers has accelerated significantly, from 1.9 percent in 1991-95 to 2.9 percent in 2004-09. Public sector wage increases and investments in public services were enabled by strong revenue growth that averaged 8.7 percent between 2003-04 and 2007-08. Second, the accumulated cost on interest in public debt was cited as a serious problem serving to crowd out the capacity to spend on public services. Allowing the annual deficit to continue unaddressed would only expand the accumulated debt and thus the cost of borrowing to service the interest and principal of that debt. The finance ministry projected that interest on this accumulated debt would grow at an annual rate of 12 percent between 2009-10 and 2012-13. This translates into an annual increase in interest charges of $3.6 billion. By 2012-13, Ontario will be paying $12.5 billion in annual interest payments. And third, with a fiscal plan to balance the budget by 2017-18, program expenditure growth can be no more than an average 1.7 percent annually until 2013 and no more than 1.9 percent after that. Given that the factors feeding into program expenses are many with compensation being only one factor, there is very little room to accommodate anything more than the most modest of wage increases. Indeed, the government noted that future spending will be very tight. The budget plans for no more than 1.9 percent in program expenditure growth. Subtracting 1.2 percent from this to simply meet the growing demand for public services due to population growth, left a mere 0.7 percent/year to finance any additional costs including wages. And the core principle, for the government, was that tax rates must remain competitive to attract investment (Ministry of Finance FAQ 2010, 1; Government of Ontario July 2010). Budgets reveal political choices. Where Manitoba halted further cuts in the corporate income tax rate, Ontario unflinchingly proceeded. Ontario's ongoing plan to cut corporate taxes, from 14 to 10 percent, once fully implanted, will result in the loss of $4.5 billion in revenue (Ministry of Finance 2010a, vii). The aggregate revenue loss as a consequence of combined personal, corporate and other tax cuts totals $18 billion (Mackenzie 2010, 8).

Business economists and consultants have contended that the disparity between public and private sector compensation requires redress. Consulting firm KPMG presented a strategy to use the current fiscal crisis as a stage to comprehensively re-write the public sector employment contract across the globe. The report's main finding is that public sector managers are not sufficiently prepared to undertake the restructuring KPMG sees as necessary. It notes that "a major component of public sector costs are wages…the public sector could cut back on human resources" a point to which a KPMG executive is cited as saying "it makes sense not to do something yourself that somebody else can do for a third of the cost" (KPMG International 2009, 15). Not surprisingly, a significant turn to public-private partnerships and outsourcing is recommended. A TD Economics Report largely echoed these same themes noting that while the current crisis in public finances would likely not be as bad as that of the early 1990s, the exit would take longer require fiscal discipline and a restructuring of public services delivery (TD Economics, 2009). Similarly, a joint study by KPMG and a University of Toronto policy centre noted the gap in compensation between public and private workers. The response to this, the report recommends, is to lower the cost of wages and benefits in the public sector "because it furthers equity objectives" (Mowat Centre, School of Public Policy and Governance, KPMG 2010, 22). Confronting the cost of public sector labour is key to restructuring the cost of public services (15). Pensions provide a perfect fault-line to divide public and private sector workers. Given that 78 percent of Ontario's public sector workers participate in a defined pension plan, in contrast to 25 percent of private sector workers, one can see why the pensions issue presents a political opportunity to the ruling class and their governmental allies to frame this as an 'equity' issue. A recent survey of Canadian deputy ministers suggested a protracted recession would magnify the "growing gap between traditional protections of the public service (job security, defined benefit pensions) and the insecurity of the private sector" (IPAC 2009, 6).

The Compensation Restraint Consultations: Protecting Public Services or Electoral Strategy?

The unions representing public sector unions were divided internally, and between one another over strategy and whether or how to engage in the consultation process. The CAW left the process on the first day but not before stating they were attending only to gather information and not to bargain. Other unions, or sub-sectors within unions, saw this as an

opportunity to push beyond austerity and present alternatives that challenged government fiscal policy and the lack of democracy in public sector workplaces – the point where public services come face to face with citizen-users. For finance minister Dwight Duncan the objective was a two-year wage freeze that would both protect public services and stimulate economic growth. Duncan set the context as one where tax revenues had dropped 12.2 percent and real GDP declined by 4.7 percent. Yet growth in demand for public services means that expenditures will continue to increase by 4.4 percent in health and 3.7 percent in education. Accommodating this growth within the constraints of the fiscal plan means there is no capacity to increase allocations for compensation. Citing other jurisdictions such as California and New York where public services have been slashed and state workers' pay cut, Duncan explained that Ontario had chosen a different path. But with 55 percent of all public program expenditures directed to compensation, there was no evading the wage relationship (Duncan 20 July 2010). Of course, other revenue options were not for consideration.

Given the economic and fiscal context, one would think that this was a serious effort. Yet one union participant likened the process to the 1993 film *Ground Hog Day* where the key characters are caught in a time loop as events repeat themselves day after day. Participants reported there appeared to be no real mandate or desire to negotiate an agreement. Three hypotheses explain this. First, the design of the consultative process was not suited to the complexity and diversity of representation in Ontario's public sector. Second, it was fundamentally a political tactic designed with Ontario's October 2011 election in mind and sought to simultaneously consolidate the stable and warm relationship with a labour movement that feared the Tories more and assuage fiscally conservative opinion. And third, the entire process was a prelude to legislative intervention and followed the direction established by an earlier Supreme Court of Canada decision that ruled as unconstitutional a government of British Columbia legislative intervention in a health care strike. And, not insignificantly, a fourth goal might be added which is the process focused attention on the wages paid to workers rather than on corporate tax cuts. And so both public opinion and union expectations could be managed.

Taken in total, the process lacked rigour. The constraint proposal was designed at the highest levels of the Ontario state, specifically within the Premier's Office by David Jean, deputy chief of operations and a key political strategist, together with the finance ministry. That it so rapidly wobbled without attracting much senior ranking attention would suggest

that a decision to allow the process to meander to a conclusion was made early on. The obvious explanation is that the most senior ranks of the public service were not concerned with achieving a negotiated outcome. Rather the goal appears to have been to be to check "did consultation" off the Charter-proofing checklist.

The Liberal-Labour Alliance: The Longer Shadow of the Social Contract

The experience of an NDP government was mixed for Ontario's trade unions but ultimately the Social Contract Act forced approximately half of the trade unions in Ontario to withhold support for the NDP. The result held far-reaching consequences. As journalist Thomas Walkom wrote: "In 1990, the New Democrats were the only serious political force remaining on the left wing of Canada's political landscape. When they abandoned that terrain they did not just leave it empty. They sowed the ground with salt" (Walkom 1994, 269). The result has been that since the late 1990s, given the rupture with the NDP and that party's dramatically reduced electoral fortunes, various unions have drifted toward a political entente with the Liberals marking the revival of a modernized Gomperism (Evans and Albo 2007, 6). But the emergence of a twenty-first century Liberal-Labour alliance is much more than a return to pragmatic business unionism. Rather it is an important symptom of an ideological divide expressing the trade union's adaptation to the conditions of neoliberalism in turning to defensive tactics and strategies.

An explicit example of this was the formation of the Working Families Coalition (WFC) in the run up to the 2003 election. Composed of the CAW, two teachers' unions, International Brotherhood of Electrical Workers (IBEW), and the building trades, the electoral strategy of the WFC "was to actively campaign against the governing Tories, and, in the process, implicitly encourage support for the Liberal Party" (Walchuk 2010, 38). The unions did not affiliate to the party but provided both direct financial support and conducted a "third party" campaign. This has been identified as the emergence of "middle class unionism" where such unions tend to be industry or profession specific with no interest in organizing outside of that sector and are prepared to strike alliances with the Liberals over investment in their specific sector (43). The Liberals have made health, education and infrastructure investment the centrepiece of their policy agenda and thus forms the material basis for a progressive competitiveness alliance with specific sectors.

This partial but substantive political realignment offers at least partly explains why the Liberals did not pursue a more aggressive

approach, including rollback legislation. One union participant characterized the entire process as being about polling and triangulation:

> They look tough but actually don't do anything. This is not about money but politics. The triangulation is that the Liberals can say we are not the NDP and we're not the Common Sense Revolution, We're the Third Way. The Fall Statement covered their Left flank. Everyone does not want this to be a replay of 1995 leading to another Mike Harris.

While the Liberals had cultivated allies within several of the key public sector unions, most notably the education unions and the Ontario Nurses Association, any intervention in bargaining would swiftly chill those relationships. They further understood their fidelity to fiscal conservatism would be a source of tension with the public sector unions but avoiding the wage question will be impossible.

Since 2002, the majority of Ontario trade union members work in the public sector and by 2010 accounted for 57.9 percent of all union members in the province (Statistics Canada CANSIM Table 282-0077). This shift reflects the declining union density rate in the province's private sector. In 2009, a mere 15 percent of private sector workers were unionized compared to 70.5 percent of public sector workers (CLC 2010). This shift in the centre of gravity of the trade unions has significant political implications and sets the Liberals, or whoever wins the October 2011 election, on a collision course with the public sector unions. This last bastion of trade union strength, the very sector the "Third Way" Liberals have given a strategic role to in advancing their progressive competitiveness agenda, must at some point become the site of a serious contestation between the unions and forces seeking to broaden neoliberal restructuring through the Ontario public sector. Oddly, much as social democracy everywhere began to falter when it turned to public sector austerity and neoliberal restructuring, undermining its effective raison d'être in the trade unions and welfare state, the Ontario Liberals are now travelling toward a similar denouement.

Public opinion gives the triangulation hypothesis some greater traction. A number of unions collectively hired market research firm *Vision Critical* to survey the attitudes of Ontario citizens toward a range of political and austerity policy issues. The results revealed a variety of contradictory views but also signaled to the unions that public opinion was far from sympathetic. The overall assessment of the McGuinty government was not encouraging. Seventy-three percent of respondents indicated they

were very or somewhat dissatisfied with the McGuinty Liberals. The same number viewed the McGuinty government as moving in the wrong direction. A significant public sector/private sector divide respecting the performance of the government was revealed where 43 percent of public sector workers were broadly satisfied with the government compared to only 23 percent of private sector-employed respondents. In other words, three-quarters of private sector respondents were less than favourable toward the government. And with respect to the recession and Ontario's fiscal crisis, 73 percent supported the proposal that the public sector unions had a responsibility to assist with the economic recovery. The same number expressed support for a two-year public sector wage freeze. However, this is not to say Ontarians are a monolithically conservative bloc. The reality is somewhat more nuanced. For example, while 22 percent of respondents favoured a reduction in government spending, a comparable 21 percent preferred an increase in program spending. Forty-seven percent were inclined to neither increase nor cut public spending but rather maintain the current levels of expenditure. And in terms of support for various measures to tackle the deficit, a rather egalitarian preference was expressed with 79 percent supporting increasing taxes on the banks and financial industry and in favour if increasing corporate taxes. And 77 percent supported a 10 percent high-income surtax on those earning $300,000/annum (Vision Critical 2010).

The electoral calculation cannot be diminished. The Liberals could not accede to stop, let alone roll back, the corporate tax cuts or pursue a tax on high income earners, and thus risk alienating a key part of their political base and nor could they move to legislate and set in motion a confrontation with the public sector unions. The teachers' unions, and the Ontario Secondary School Teachers' Federation in particular, had threatened to actively oppose the Liberals if there was any attempt to legislate a freeze. And with eyes on succeeding McGuinty as party leader, Dwight Duncan no doubt saw an opportunity to consolidate labour support for his leadership bid by not energetically pushing the process forward.

Lesson from the Constitutionalization of Politics: Real Protection is Class Mobilization

It has been suggested that the intent of the Ontario government's consultation was to provide a forum for limited dialogue before moving to legislatively intervene and apply the *Public Sector Compensation Restraint to Protect Public Services Act* to the unionized public sector workforce. This understanding derives from a 2007 Supreme Court of Canada decision

(Health Services and Support – Facilities Subsector Bargaining Association v. British Columbia, 2007 SCC 27) that found sections of British Columbia's *Health and Social Services Delivery Improvement Act*, 2002 (Bill 29) to have violated the Charter's guarantee of freedom of association. The decision thus extended a limited constitutional protection to collective bargaining. The decision appeared to pierce Panitch and Swartz's permanent exceptionalism thesis that legislative interventions into collective bargaining had become a fixture in Canadian labour relations (2003). This is not the case as this decision heralds less an end to unabashed state intervention seeking to roll-back gains made through collective bargaining and more of a limit on how the state may proceed to do so.

Bill 29 allowed for extensive privatization, elimination of services, enabled hospital closures with as little as 2 months' notice, and stripped out protection from contracting out and for successor rights, bumping, and retraining and job placement (Camfield 2006, 14). British Columbia's thoroughly neoliberal Liberal government defended their draconian intervention on the grounds it was necessary to address a "crisis of sustainability in the provincial health care system" (Etherington 2009, 723). The Health Employees' Union and the British Columbia Federation of Labour responded both politically and legally to this attack. The legal challenges also failed at the B.C. Supreme Court and the B.C Court of Appeal. However, the ultimate Supreme Court of Canada decision provided an important but limited victory that "effectively prohibits 'substantial interference' in free collective bargaining without 'good faith' negotiation and consultation" (CAW 2010). The decision requires "both employer and employees to meet and to bargain in good faith, in the pursuit of a common goal of peaceful and proactive accommodation" (B.C. Health Services, 2 S.C.R., 90). In this sense, the protection is limited to a process of consultation and not a substantive outcome such as preserving existing protections and benefits (Etherington 2009, 715; Norman 2008, 19). As such, the SCC's decision "simply shields public sector unions from the worst excesses of neoliberalism" (Savage 2009, 16). Therefore, this does not strictly prevent a government from intervening legislatively to undermine collective agreements (Tucker 2008, 158). In other words, nothing in this decision stops the rolling back of existing collective agreements providing this takes place "at the conclusion of a process of consultation with the union" (Savage 2009, 15). The question then is what will the Supreme Court decide the next time a government raises the spectre of fiscal crisis as it moves to undermine existing collective agreements? The answer will depend "on the extent to which future courts

take an unduly narrow reading of the decision as simply imposing a mere consultation requirement on government's before over-riding collective bargaining rights" (Savage 2009, 16).

By the end of 2010 in Ontario, with the constraint consultations concluded, there were no agreements save with the Ontario Provincial Police and government lawyers, and these settlements hardly conformed to the zero/zero objectives the government sought. The Rae NDP government moved to legislate when it was clear that a freely negotiated social contract was not to be. Not so in Ontario today. Was this meaningful consultation that would satisfy the Supreme Court of Canada's decision? In all likelihood, if there is to be legislation, it will not be introduced until after the October 2011 election regardless of who wins. But, parsing the finance minister's "thank you" to participants, a number of messages are conveyed revealing how the government understands the process. In his letter, Duncan states "all parties … now have a better understanding of each other's expectations and of the current fiscal challenge" and further "we cannot ignore the simple fact that 55 percent … of all government program expenses go to compensation … we can only manage the deficit by also addressing the single biggest line item in our budget – public sector compensation". And, finally, "we expect all parties to continue recognizing the fiscal situation facing the province and to continue to seek ways to comply with the Policy Statement" (Ministry of Finance 2 November 2010). The messaging is clear: we better understand the fiscal problem; public sector compensation cannot be ignored; and all parties will continue to consider the zero/zero objective.

Conclusion: Beyond Sectionalism and Toward Resistance

The Liberal government has framed constraining public sector compensation as central to Ontario's exit strategy from the fiscal crisis. The failure of the consultation process to arrive at widespread framework agreements across the public sector is not even the point. The Supreme Court's decision respecting British Columbia health care workers offers only limited guarantees respecting consultation and this has been arguably achieved. What is in play is pure electoral strategy on the part of both the Liberal party and the unions. The Liberals cannot afford to alienate their support, uneven and variable in depth as it may be, among the public sector unions given recent polls show them trailing the Conservatives by 10 or more points. Given this electoral calculus, the unions fear a return to the Common Sense Revolution. John Wilkinson, a minister in McGuinty's cabinet, suggested early in the process that Ontario's public sector unions

would co-operate with the government on the wage freeze. That clearly has not happened, at least not explicitly so. But it cannot be denied there was hardly a trade union common front on this matter. As several participants to the process commented there was very little co-ordination or political strategizing among the unions. Instead, sectionalism prevailed as a result of political, ideological and bargaining territory differences (Gindin and Hurley 2010). But the result of the now deeply embedded defensiveness of the trade unions is an ongoing inability to raise larger questions that are less sectional in nature and significantly more political. Doing so would force unto the agenda the need to democratize the state, and how it delivers public services, and the economy as a whole (Gindin Leftstream video 2010).

While defending wages will clearly remain an issue, it has been proposed that the strategic issue for public sector unions will involve reframing the debate around, and leading in the struggle for, the improvement and democratization of public services (Gindin and Hurley 2010). Indeed, CUPE's hospital sector, while not surrendering to demands that compensation be off the table, advanced this very argument. The unions proposed their own alternative fiscal strategy including proposals to cancel the corporate income tax reductions, a financial transactions tax, and the establishment of a new top personal income tax threshold that would raise an estimated $2 billion in new revenue alone (McCarthy, Sanger, Stanford and Weir 2010, 23-26). In October 2010, OPSEU launched a membership mobilization campaign: "Invest in Ontario – Stop the Corporate Tax Cuts", that urges members to lobby Members of the Provincial Parliament (MPPs) to reconsider corporate tax cuts at the expense of public services. The Liberals however, have been unwavering in their public position, as expressed in the finance minister's "thank you" memo that states compensation remains at the centre of this discussion. Given this uncompromising line, the public sector unions can rely on nothing less than a class-based mobilization around their alternative proposals to protect public services and those who produce them. The campaigns run by certain unions have been directed toward members only. While at the time of the 2010 budget, a number of unions did begin a process of cooperation but this rapidly faded. Indeed, one activist said efforts to launch a multi-union campaign against the corporate tax cuts in the autumn of 2010 gained no traction. Part of OPSEUs campaign seeks to popularize the anti-corporate tax cut sentiment reflected in public opinion polling but this, while creative and commendable, will be limited by the constraints of a one-union campaign. Something akin to the *Coalition of*

Resistance Against Cuts and Privatisation in Britain that brings together a broad alliance of social forces to oppose this next phase in the neoliberalism is a political necessity. Given the succeeding waves of restructuring that have swept through the private sector over the past quarter century, and consequently the lives of private sector workers, it will be imperative that a movement to defend public services and public sector workers not simply be a defense of the status quo. Private sector workers, union and non-union are key to political success and therefore the yet to be founded 'coalition of resistance' must be as effective and creative as the populist Right has been in speaking to the anxieties of workers in all sectors. The emerging issues are centred on public sector productivity (code for rationing, flexibilization and work intensification) and parity with the wages and working conditions found in the non-union private sector. The National Union of Public and Government Employees' (NUPGE) campaign "For Public Services and Tax Fairness" is a national effort to counter the view that there is a structural fiscal crisis. While it too is isolated and has not received a great deal of publicity, the fiscal crisis affects all provinces and any mobilization of resistance will need to be constructed nationally. Anything less than such a broad-based resistance mobilized around an explicitly anti-neoliberal program, will result in a version of the Irish Croke Park deal where the dominant faction of Ireland's trade union movement, more comfortable as a very junior partner in the management of Irish capitalism than as a force of resistance, agreed to a policy agenda that destroys working class lives.

A Note on Methodology

Several participants to the consultation process provided much of the information, data and interpretation presented here. Protecting the anonymity of these individuals is essential and therefore neither their names nor affiliations can be disclosed.

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

The "New Saskatchewan"
Neoliberal Renewal or Redux?

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Abstract

The release of Naomi Klein's *Shock Doctrine* has popularized the notion that neoliberalism has relied on the rhetoric of crisis and emergency to persuade citizens to accept its economic dictates. How then does one "sell" the neoliberal vision when there can be no recourse to crisis rhetoric, particularly to a population steeped in a social democratic political culture? It is this question that this essay attempts to resolve by investigating the discourse of the "New Saskatchewan" that has been a favourite and recurrent meme of the Saskatchewan Party since the 2003 electoral campaign. This paper will argue that rather than relying on the rhetoric of crisis, the "New Saskatchewan" puts forward a discourse of prosperity that promises to unleash the full economic potential of the province through neoliberal economic policy. Moreover, the "New Saskatchewan" (NS) discourse has been specifically tailored to advance this neoliberal project in Saskatchewan by taking special care to address the local specificities unique to the politics of the province, while drawing upon historical narratives and themes that have been emblematic of Saskatchewan political history.

Résumé

La parution du livre *The Shock Doctrine* par Naomi Klein a popularisé l'idée que le néolibéralisme dépend d'une rhétorique de crise et d'urgence afin de persuader les citoyens d'accepter ses préceptes économiques. Comment peut-on vendre la vision néolibérale lorsqu'on ne peut pas recourir à une rhétorique de crise, en particulier vis-à-vis d'une population imprégnée d'une culture politique social-démocrate? Cet article s'adresse à cette question en examinant le discours de la Nouvelle Saskatchewan qui a été un mème favori et récurrent du parti Saskatchewanais depuis la campagne électorale de 2003. Cet article soutient que, plutôt que de se baser sur une rhétorique de crise, la Nouvelle Saskatchewan propose un discours de prospérité en promettant de déclencher le potentiel économique de la province par l'entremise d'une politique économique néo-libérale. Qui plus est, le discours de la Nouvelle Saskatchewan (NS) a été spécifiquement ajusté pour avancer le projet néo-libéral en Saskatchewan en

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abordant le caractère unique de la politique de la province, tout en puisant dans les récits historiques et thèmes qui ont été emblématiques de l'histoire politique de la Saskatchewan.

Keywords
Brad Wall; discourse; neoliberalism; Saskatchewan politics

Mots-clés
Brad Wall; discours; néoliberalisme; politique Saskatchewanaise

The implementation of neoliberalism throughout the western liberal democracies has often been framed less as a choice and more an inevitability. Thatcher's mantra "that there is no alternative," was premised on the assumption that global markets would unduly punish those that failed to accept the cold market logic of neoliberal economics. Naomi Klein (2007) has more recently popularized the notion that the institution of neoliberalism has relied on the rhetoric of crisis and emergency to 'persuade' citizens to accept its' economic dictates.

Certainly, the history of neoliberalism in Canada has followed much of this script.

Brian Mulroney's inaugural foray into neoliberal austerity in the late 1980s and early 1990s was prefaced by dire warnings that Canada was "choking on debt" imperilling the country's very sovereignty (*Toronto Star*, 13 November 1992; Winsor 1989). Similarly, Paul Martin's 1995 neoliberal budget was presaged with allusions to Mexico's peso crisis, International Monetary Fund (IMF) imposed structural adjustment and eventual fiscal ruin for the country if the debt and deficits were not immediately slain (Clarke 1997, 83-84).[1]

The use of debt and deficit discourse to prepare the way for neoliberalism has certainly not been confined to the federal government. In Ontario, Premier Mike Harris claimed the province was "bankrupt" on the eve of his government's draconian first "Common Sense" budget, declaring that "major change" and even "amputation" of social programs was a required necessity (Wright 1995, A1). Alberta's Ralph Klein was equally adept at using debt crisis rhetoric. As Taras and Tupper (1994, 71) explained at the time, the Klein government "used its crusade against the deficit [to initiate] a program of social engineering, the reordering of

[1] For a wider discussion of the strategies used to "sell" neoliberalism to Canadians since the 1970s, see Enoch 2007.

societal institutions and priorities to fit a particular ideological mould that is virtually without precedent in recent Canadian history." Even in social democratic Saskatchewan, the discourse of economic crisis was a prime rhetorical lever used to roll out the Romanow government's Third Way variant of neoliberalism in the early 1990s (McGrane 2006).

In this sense, we can view the use of debt crisis discourse as constituting what Marjorie Griffin Cohen calls a "conditioning framework;" the means to publicly legitimize the withdrawal of the state from key areas of social provision. "The economic logic for deconstructing the welfare state" Cohen (1997, 33) writes, "had to become part of the subconscious way people understood the working of the economic system in order to erase the public's attachment to 'expensive' social programs."

We might say then, that in Canada, it has been the "stick" of fiscal crisis much more than the "carrot" of purported economic prosperity implicit in neoliberal discourse that has been utilized as the means to "sell" neoliberal policy to a usually sceptical, if not recalcitrant public.

How then does one "sell" the neoliberal vision when there can be no recourse to crisis rhetoric, particularly to a population steeped in a social democratic political culture? This is the situation that has characterized Saskatchewan politics over the past five years. Brad Wall's Saskatchewan Party government inherited a vibrant economy that has outpaced the rest of the country and has (so far) been relatively unaffected by the global recession (McGrane 2007). How then, has the Wall government sought to "sell" its variant of neoliberalism in Saskatchewan at a time of supposed economic prosperity and to a population that still remains relatively wedded to the social democratic culture of the past? It is this question that this essay attempts to resolve by investigating the discourse of the "New Saskatchewan" that has been a favourite and recurrent meme of the Saskatchewan Party since the 2003 electoral campaign. This paper will argue that rather than relying on the rhetoric of crisis, the "New Saskatchewan" puts forward a discourse of prosperity that promises to unleash the full economic potential of the province through neoliberal economic policy. Moreover, the "New Saskatchewan" (NS) discourse has been specifically tailored to advance this neoliberal project in Saskatchewan by taking special care to address the local specificities unique to the politics of the province, while drawing upon historical narratives and themes that have been emblematic of Saskatchewan political history.

To investigate this question, this paper will first describe the dominant themes within neoliberal discourse and the importance of

language to the neoliberal project. Following this, the contours of the discourse of the 'New Saskatchewan' will be outlined drawing upon Saskatchewan Party election platforms and from speeches, statements and interviews with Brad Wall from 2004 until the present. The historical affinities and differences of the NS discourse to the rhetoric of the Ross Thatcher and Grant Devine governments will also be considered. To conclude, the efficacy of the NS discourse to persuade the public to embrace neoliberalism as the way forward will be evaluated.

Neoliberalism and Discourse

Despite being what Robert McChesney (1998) describes as "the defining political economic paradigm of our time," the spread of neoliberal economic policies remains uneven, as various jurisdictions display differing levels of ideological and political adherence to the doctrine (Birch and Mykhnenko 2010). Nevertheless, Birch and Mykhnenko identify five core principles that have been emblematic of neoliberalism wherever it has been implemented:

> *privatization* of state-run assets (firms, council housing, et cetera); *liberalization* of trade in goods and capital investment; *monetarist* focus on inflation control and supply-side dynamics; *deregulation* of labour and product markets to reduce 'impediments' to business; and, the *marketization* of society through public-private partnerships and other forms of commodification. (Birch and Mykhnenko 2010, 5)

As Norman Fairclough (2005, 31) observes, discourse is essential to the support and legitimacy of the neoliberal project because it relies centrally on the process of imposing new representations on the world as it makes a "contingent set of policy choices appear to be a matter of inexorable and irreversible world change." The ability of neoliberalism to present itself as an inevitable and ineluctable result of progress requires a supporting discourse that buttresses its truth claims. While all political projects rely on discursive representations to win public support, the discourse of neoliberalism contains a number of distinctive elements that have been regularly utilized to garner popular legitimacy. Fairclough identifies the various symbolic resources that have been deployed in pursuit of the neoliberal project as follows:

> This [neoliberal] discourse includes a narrative of progress; the globalized world offers unprecedented opportunities for 'growth' through intensified

> 'competition,' but requiring unfettered 'free trade' and the dismantling of 'state bureaucracy' and 'unaffordable' welfare programmes, 'flexibility' of labour, 'transparency,' 'modernization' and so forth. This discourse projects and contributes to actualizing new forms of productive activity, new social relations, new forms of identity, new values, etc. It appears in specific forms and transformations in different spheres of life (Fairclough 2000, 148).

What this often means in practice is that neoliberal discourse attempts to create a new individualized "citizen-subject," encouraging people to see themselves as individualized and active subjects solely "responsible for enhancing their own well-being" without recourse to state aid or assistance (Larner 2000,13). For Wendy Brown, this can produce the "citizen-consumer" for whom:

> navigating the social becomes entirely one of discerning, affording, and procuring a personal solution to every socially produced problem. This is depoliticization on an unprecedented level: the economy is tailored to it, citizenship is organized by it, the media are dominated by it, and the political rationality of neoliberalism frames and endorses it. (Brown 2006, 704)

Collective provision and social citizenship are anathema to this conception, as responsibility for everything from employment and education to health and well-being are shifted from the state to the individual. Under such a regime we must become "Entrepreneurs of the Self," making continuous personal investments in skills, training, education, and health in order to both increase our marketability in a competitive labour market and to weather the risk and insecurity emblematic of the neoliberal economic paradigm (Peters 2001). Life becomes a "continuous economic capitalization of the self" (Rose 1999, 161).[2]

However, despite these continuities, the discourse used to support neoliberal policies can be as equally heterogenous as the application of neoliberalism itself. Fairclough (2005, 31) observes that in the case of a

[2] We need to be cognizant that the intent of neoliberal discourse to produce an individualized subjectivity does not necessarily make it so. Too often the adoption of individualizing practices by persons are assumed to entail a wholesale embrace of neoliberal rationality, when the adoption of these practices may be more a matter of routine economic survival. The failure to adequately locate resistance to these discourses and practices can make it appear that they have been internalized, when the reality may be quite the opposite. For a critique of this tendency in academic studies of individualizing discourses and practices in the workplace, see Thompson and Ackroyd 1995.

strategy such as neoliberalism which has been "so widely diffused, on so many different scales, and recontextualized in so many different countries, institutions and organizations," that we are often faced with a "complex field of dispersal in narratives and discourses," where as well as "recognizable continuities we find considerable diversity, associated with the proliferation of contexts and circumstances." Thus, neoliberal discourse must fashion itself according to local specificities and historical contingencies unique to the terrain in which it attempts to legitimize its project. Indeed, the Saskatchewan Party's deployment of its own unique brand of neoliberal discourse affirms this observation as it must carefully navigate the public's underlying social democratic sentiments and collective sensibilities all while simultaneously attempting to undermine this attachment.

Neoliberalism in the New Saskatchewan

The advent of neoliberalism in Saskatchewan certainly did not begin with Brad Wall and the Saskatchewan Party. Grant Devine's Progressive Conservative government in the 1980s displayed many of the hallmarks of neoliberal politics that were newly emerging at the time. Similarly, Roy Romanow's adoption of "Third Way" social democracy in the 1990s – or what others have called "neoliberalism with a human face" – shifted the provincial New Democratic Party (NDP) away from the traditional politics of social democracy towards the neoliberal consensus dominant during the period (Hansen 2003; McGrane 2006). Therefore, while neoliberalism is certainly not "new" to Saskatchewan, Wall's Saskatchewan Party has made a concerted effort to re-package neoliberalism as constituting a "new" politics for the province. How the Saskatchewan Party has sought to "sell" its own variant of neoliberalism to the Saskatchewan public is the primary focus of this investigation.

Brad Wall's Saskatchewan Party government has embarked on a decidedly neoliberal agenda since it first came to power in 2007. Since taking office, the Wall government has rolled back the rights of labour with a slew of legislation designed to essentially neuter organized labour's right to strike and organize in the workplace.[3] Without any consultation with organized labour, the government has passed Bill 5, *The Public Service Essential Services Act*, that allows employers the discretion to designate employees "essential service" providers, thereby prohibiting those

[3] Wall characterized Saskatchewan's previous labour legislation under the NDP as making the province "look like Québec or Cuba" (Wall, cited in Doll 2007).

classified from participating in strike action. Bill 6, *An Act to Amend the Trade Union Act*, enhances the ability of employers to "communicate facts and opinions" to workers during organizing drives and changes the certification process to a mandatory secret ballot that gives employers more license to intimidate and coerce workers (Saskatchewan Federation of Labour 2008). Bill 80*, The Construction Industry Labour Relations Amendment Act* permits employers to "voluntarily recognize" a particular union if the shop isn't already certified, allowing the *employer* to select the union that will supposedly represent workers, opening the way for quasi-yellow-dog unions like the Christian Labour Association of Canada (CLAC) to gain a foothold in the province's construction industry (Mandyrk 2009, A6). More recently, the government introduced Bill 43, *The Trespass to Property Act,* which has the potential to greatly restrict the ability of workers to picket their place of employment during strike action.

A recent International Labour Organization (ILO) decision has offered a stinging rebuke to the government's package of labour legislation. The ILO Freedom of Association Committee found, among other things, that:

> The government had an obligation to consult with the labour movement and it failed to do so; that the new essential services legislation contravened the ILO's principles on freedom of association by granting authority in the government itself to define what services are "essential" rather than an independent third party; and that the requirement for workers to have to collect union membership evidence on behalf of at least 45% eligible employees was too high since it would make it exceedingly difficult for workers to organize (Doorey 2010).

Indeed, the breadth and scope of the Wall government's attack on the labour movement in Saskatchewan has resulted in the Saskatchewan Federation of Labour (SFL) and thirty other unions and locals launching a Charter challenge that questions the very constitutionality of the legislation (*Leader-Post*, 16 September 2008).[4]

In keeping with neoliberal policy prescriptions, the Wall government has shown its propensity for deregulation by entering into the New West Partnership with British Columbia and Alberta. The agreement - a carbon copy of the Trade, Investment and Labour Mobility Agreement (TILMA) that the government had previously opposed - purports to

[4] For a detailed discussion of the court challenge, see Muthu 2010.

remove 'barriers' to trade and investment between the three provinces and invests the power to ultimately determine what measures constitute a restriction or impairment of trade within an unelected trade panel. Critics of the agreement fear it will lead to a "race to the bottom" as the lowest standards and regulations of each respective province are adopted as the least restrictive to inter-provincial trade (Gilbert 2010).[5] Recent moves by the Wall government to endorse the Canadian Federation of Independent Business (CFIB) "Red Tape Awareness Week" as a means to "identifying and eliminating regulatory or bureaucratic requirements that serve as barriers to growth," presage an even more intense deregulatory campaign in the future (Wood 2011).

The Wall government has been less aggressive on the privatization front, mainly due to the public's attachment to the provincial crown corporations. Indeed, it is widely acknowledged that the Saskatchewan Party's failure to win the 2003 provincial election hinged on the Party's reluctance to rule out privatization of the crowns during the campaign (McGrane 2008; Rayner and Beaudry-Mellor 2009).[6] However, the government has restricted the operations of the crowns through its "Saskatchewan First" policy that forced the crowns to divest of their out-of-province assets and discouraged the crowns from "competing with the private sector" within the province (*Star-Phoenix*, 28 October 2008). Lastly, while the government has not pursued an openly ambitious plan of privatization, they are in the process of selling off the Saskatchewan Communications Network (SCN) - a public education cable channel - in response to budget shortfalls resulting from the collapse of potash revenues in 2009-2010 (Wood 2010, A1). Furthermore, the government has not been reluctant to contract out public services to private providers, with the opening of the privately owned Omni Surgical Centre in Regina the most recent example (Cowan and Hall 2010, A1).

One of the key principles of neoliberal governance is the prioritization of market logic as a principle of government itself (Couldry 2010). The Wall government's embrace of this aspect of neoliberalism is best exemplified by their out-sourcing of economic development policy to "Enterprise Saskatchewan," a multi-sector government agency tasked with

[5] For a critique of the original TILMA agreement, see Weir 2007.

[6] Brad Wall himself acknowledged this, conceding that "the biggest mistake the Saskatchewan Party has made in its ten years," was "not being clear enough on its stance on Crown corporations and not respecting the citizens' strong desire to keep them public" (Wall cited in Mandryk 2007, A16).

providing recommendations and advice for the removal and reduction of barriers to economic growth within the province. The self-declared role of the agency is to "create the best environment for business - and then get out of the way" (Enterprise Saskatchewan 2010). Enterprise Saskatchewan has been the showpiece of the government's economic policy since 2004. The agency is designed to "take the politics out of economic development" by preventing the picking of "winners and losers" by the government. For the "first time in Saskatchewan," the Enterprise Saskatchewan Plan will see "government cede significant control over the formation and implementation of economic development strategies to a broad partnership of economic stakeholders with the full support of the Premier and Executive Council" (Saskatchewan Party 2004, 11). However, despite the claims of inclusion, the board is actually dominated by business representatives with only a token representative from organized labour. That any consideration at all beyond the interests of business are attended to by the agency is belied by its own slogan, "our business is business" (Enterprise Saskatchewan 2010).

Enterprise Saskatchewan and the government's attitude towards past efforts of economic development in the province provides an ideal launching point to investigate the government's construction of the "New Saskatchewan" discourse and how it attempts to support the advancement of the neoliberal project in the province.

The Discourse of the New Saskatchewan

As the above suggests, the NS discourse is premised on creating a binary opposition between the future and the past, with the province's social democratic past responsible for stagnation and lethargy, while the neoliberal future is associated with optimism and prosperity. Within Saskatchewan Party discourse on economic development, this binary is ever-present. According to this narrative, Saskatchewan has consistently failed to realize its economic potential, despite being blessed with an abundance of natural resources and the most fertile farmland in the country:

> Saskatchewan's wealth in human and natural resources is truly staggering. Given our potential, Saskatchewan should have finished the 20th century as one of Canada's economic leaders - ready to compete in the emerging global economy. Instead, our province entered this century after having spent most of the last century as a 'have-not' province (Saskatchewan Party 2004, 1).

The blame for this economic malaise is squarely placed on the social democratic economic policies of the past:

> Perhaps we have become comfortable with the notion that geographically large and sparsely populated jurisdictions must rely on the public sector and government involvement at every turn for their economic development strategies. This would appear to be the case in Saskatchewan, where governments of three different political stripes have allowed public sector solutions to eclipse the potential of private investment, innovation and entrepreneurship as sustainable economic development options for growth (Saskatchewan Party 2004, 2).[7]

The results of pursuing this state-led economic strategy is characterized as an abject failure:

> It is clear that Saskatchewan's economic strategy over the past 60 years has failed to improve the integrity of our economy, grow our population, attract investment or adequately capture and commercialize intellectual capital and innovation. It's time to try something new (Saskatchewan Party 2004, 6).

In order to unleash the full economic potential of the province, neoliberal policy prescriptions must be applied generously to every facet of the economy in order to remove the barriers to growth that have been left to harden over the past sixty years. In this sense, the application of neoliberal principles allows the province to return to a historical trajectory of prosperity that had been de-railed by the adoption of social democracy. Brad Wall makes this explicit:

> After 1941 something changed, and the optimism of the past shifted...Our leadership for much of the last 60 years forgot that Saskatchewan was built by individuals and by families and by communities and not by government...It is a leadership, I believe, that has resigned our province to mediocrity at best and

[7] It is interesting to note the blame here is placed on *all* past governing political parties for advancing public sector solutions over and above the private sector - despite the prior governing Liberal and Conservative parties' vocal advocacy for "free enterprise." In this sense, the Saskatchewan Party appears more intent on indicting the past political culture of social democracy in the province, rather than just the New Democratic Party alone.

> unsustainability at worst...it is a government that has more memories of the past than dreams for the future (Wall cited in Saccone 2005, A9).[8]

The renewal of optimism and confidence in the province with the election of the Wall government is a much vaunted part of the NS discourse, as the freeing of private enterprise from the shackles of the past is said to coincide with an "attitudinal change" and a "new collective vision" for the province (Wall 2010). In opposition to the "old Saskatchewan," the "New Saskatchewan" desires to inculcate the province with a new entrepreneurial spirit, which fosters "job-creators" rather than "job-takers:"

> In our platform we talked very specifically about increasing the availability of entrepreneurial education in our school system, or at least introducing the option wherever we can. We have done a great job in our province over the years, (with) a great education system. But we train job takers and we ought to be introducing the concept of people considering being job makers. There are some things we can do from an educational standpoint with regard to [sic] entrepreneurial and an entrepreneurial environment (Wall cited in Moen 2008).[9]

According to the government, this new "enterprising, entrepreneurial Saskatchewan economy will be impatient, relentless, aggressive, self-promoting and even brash. Profit within that economy will be lauded instead of envied" (Saskatchewan Party 2004, 27).

The deployment of such entrepreneurial discourse by neoliberal governments is certainly not new, as it has a long history going back to the Margaret Thatcher government of the 1980s (See Abercrombie and Keat 1990; Peters 2001). Indeed, Thatcher's view of enterprising culture was inextricably linked to the political and the moral challenge supposedly posed by the "permissive and anti-enterprise culture fostered by social democratic institutions since 1945" (Smyth 1999, 440-441). Certainly, it is a central tenet of neoliberalism that the Keynesian policies of social

[8] Why Wall chose 1941 as the date "something changed" is curious given that Liberal premier William J. Patterson was in power. However, three years later Tommy Douglas and the CCF would win their first provincial election.

[9] According to the Saskatchewan Party's 2007 platform: "A Saskatchewan Party government will work with local school boards, the business community and community based organizations such as Junior Achievement, to enhance business literacy, entrepreneurial and career education in Saskatchewan schools" (Saskatchewan Party 2007, 6).

protection contributed to a "risk adverse" society that eliminates many of the incentives to create wealth; a position that would most certainly garner sympathy within the Saskatchewan Party (Rothenberg 1984, 148).

As Michael Peters (2001, 60-61) argues, neoliberal appeals for an "enterprise culture" are premised on the need for cultural reconstruction in order to ensure economic survival within the competitive global economy. The term "enterprise" is often used as an antidote to an alleged "culture of dependency" promoted by the Keynesian welfare state that can only be overcome through the acquisition of entrepreneurial values of self-reliance, personal investment, competition and market rationality. This is in direct opposition to social democratic principles of equality, equity and collective social provision.

While the NS discourse is careful not to accuse the *people* of Saskatchewan of a culture of dependency, it certainly indicts governments past of fostering such a climate. For example, Brad Wall's well-worn "New Saskatchewan" speech accuses the "Saskatchewan that was" as one of "managed decline," always "looking for a hand-out" from the rest of the country, whereas the "Saskatchewan that is," "plans for growth," with "its sleeves rolled up" ready to work for greater prosperity (Wall 2010).

Indeed, this representation of past social democratic governments as an indolent elite that leeches off the wealth of others is made explicit by Brad Wall in his parody of Tommy Douglas' famous "Mouseland" speech that Wall delivered to the 2006 Saskatchewan Party convention and which is worth quoting at length.[10] In Wall's "updated" rendition, 'Mouseland' has been governed by the mice for sixty years:

> But after sixty years, other animals began to realize something about mice. They're not exactly the most productive species in the animal kingdom. In fact, they don't really produce anything except droppings. What they are good at is wrecking stuff that others have produced. They chew holes in things. They just generally leave a mess wherever they go.... 'We can't get rid of the mice. The mice run things. The mice have always run things. That's why they call it Mouseland.' And all the other animals heard this and just nodded sadly in agreement. Except for one old gray horse named Milt. He'd been around longer than the rest of the animals... And he said, 'That's not quite true.' 'The mice don't have to run things. In fact,' he said 'when given a clear choice between cats and mice…who would choose a mouse? They wreck things!' And at that moment, all the other animals looked up and down the line… And they realized

[10] For the original Douglas "Mouseland" speech, visit http://www.saskndp.com/mouseland.

> something. There were more of them than there were mice. They were all different animals, but they had a lot of things in common. They didn't like the mice wrecking all their food. They didn't like their babies moving to that place that had never been run by the mice. They didn't like standing in line when they were sick. Most of all, they were just tired of the mice. They began to realize that a lot of mice in one place for a long time is not a government but an infestation! (Wall 2006).[11]

Besides flirting dangerously with an almost reactionary producerist rhetoric, Wall's parody captures numerous themes of the NS discourse outlined thus far; sixty years of inept social democratic policies have relegated Saskatchewan to 'have-not' status, squandering the province's vast economic potential in exchange for mediocrity and a culture of defeat.[12]

The New Democratic Party is regularly portrayed as mired in this fictive past, representative of the "old" Saskatchewan, tied to tired and outmoded ideologies and ways of thinking (Saskatchewan Party 2007; Wall 2010).[13] In contrast, the Wall government's neoliberal policies are "non-ideological," "pragmatic" and "common-sense." Responding to *Leader-Post* reporter Angela Hall's question on whether the government would adopt "a broader conservative agenda" in a second term, Wall replied:

> I don't know what that means, but just offhand I think you're going to see more common sense solutions to problems we have...All of the examples you've cited, I don't think that's left, middle or right, I think it's common sense. And we'll always be responsive to those kinds of ideas (Wall cited in Hall 2010a).

[11] In Wall's rendition, the "cats" - originally representing the bourgeoisie in Douglas' version - rescue Mouseland from the inept rule of the "mice." Wall's parody could therefore be seen as inadvertently confirming David Harvey's hypothesis that neoliberalism is all about the "restoration of class power," as the bourgeoisie are once again restored to their rightful position of rule! (See Harvey 2005, 16).

[12] As Chip Bertlet and Matthew Lyons (2000, 6) explain, "one of the staples of repressive and right-wing populist ideology has been producerism, a doctrine that champions the so-called producers in society against both "unproductive" elites and subordinate groups defined as lazy or immoral."

[13] Current NDP leader Dwain Lingenfelter, who could quite accurately be characterized as a third way neoliberal, is regularly portrayed in this light, with Brad Wall depicting him as "a 70's era figure in thrall to nationalization and "Fonzie lunchboxes" and out of touch with the "New Saskatchewan" (Wall cited in Wood 2010b, A5).

Similarly, in his "State of the Province" address to the Saskatoon Chamber of Commerce, Wall again portrays his government as the pragmatic alternative to an ideologically driven past:

> You will see from our government we are not ideologically limited to the way we fund these projects in the future. We will be open to public-private partnerships. We will be open to partnerships with other members of the public sector, with the municipal sector, with federal government and with the private sector. We are going to be interested in results in dealing with this infrastructure deficit, not ideologically handcuffed by pursuing it only in the ways the Government of Saskatchewan has pursued it in the past (Wall 2008).[14]

As many other scholars have demonstrated, claims that neoliberalism is "non-ideological," "beyond left and right," and a "common sense" approach to politics are a central facet of neoliberal discourse (Clarke 2008; Coulter 2009; Weiler 1984). Weiler's description of the discursive representation of neoliberal politicians is particularly germane to how Brad Wall's Saskatchewan Party seeks to represent itself:

> Neo-liberals are not burdened with ideological baggage. They are new politicians with new solutions to the allegedly new problems we face. They are experimenters uninterested in tedious quibbles about method. They are bottom-line men [sic]; they are interested in results (Weiler 1984, 367).

However, as Kendra Coulter (2009, 38) observes, such claims seek to "obfuscate ideological allegiance and camouflage an ideological agenda" by framing political decisions that have profound and differing effects on various elements within society as non-ideological problems in need of technical solutions. Such discourse seeks to erase consideration of structural or systemic inequalities of power by concealing the problems and conflicts of politics behind an appeal to technical expertise (Clarke 2008, 142). In this respect, "the very denial of ideology is an ideological act" as neoliberalism - a decidedly *political* project - is cloaked in the

[14] The Wall government's decision to oppose the BHP Billiton takeover bid for PotashCorp was also framed as "pragmatic" and "strategic" in response to criticisms from the ideological right that the Saskatchewan Party had betrayed its free-market principles. It may be more true that the Wall government is tremendously reliant on potash revenues - which at its height contributed to one-fifth of provincial revenues - in order to advance its neoliberal agenda more broadly. See CBC News 2009.

respectability of being non-political; merely a natural, common sense approach to problem solving (Coulter 2009, 38-39).

As we have seen, the NS discourse contains many of the hallmarks of neoliberal discourse more generally; it contains a narrative of growth and progress juxtaposed with the demonization of a social democratic political culture responsible for stagnation and a "culture of dependency." It advocates for an "enterprise culture" that seeks to inculcate entrepreneurial values as the means with which to escape our under-achieving, collectivist past and it represents itself as non-ideological and non-political, all while advancing a decidedly political project. However, how "new" is this "'New Saskatchewan" discourse? Brad Wall and the Saskatchewan Party continually depict themselves and their policies as representing a break from the past. However, upon closer scrutiny the New Saskatchewan discourse reveals itself to be not so novel after all.

The Historical Origins of the "New Saskatchewan"

The NS discourse regularly indicts its opponents as being mired in the past, in the "old" Saskatchewan. Yet, the genealogy of the New Saskatchewan discourse illustrates that is equally a product of the past.

In 1964, the provincial Liberals under the leadership of Ross Thatcher defeated the NDP after twenty years in power. Thatcher's promise to the electorate: to bring them a "New Saskatchewan" (Gruending 1990; Eisler 1987). With rhetoric that is eerily familiar to the present, Thatcher declared the province under his leadership, once again "open for business," expressing confidence in private enterprise through "regulations, legislation and support of the entrepreneur" that would make Saskatchewan a safe and profitable climate for private investment (Eisler 1987, 156-157). For Thatcher, the province was "only now recovering from an unhappy 20-year experiment with socialism, an experiment that has cost the province very dearly in jobs and economic development" (*ibid*, 157). Starkly reminiscent of today, Thatcher's "New Saskatchewan" promised to unleash the full economic potential of the province - stifled under the socialist CCF/NDP - through a wave of all too familiar policies: "reduce corporate royalties and taxation, slash the size and influence of government (especially by attacking social spending), sell-off government-owned enterprises to the private sector and bring the labour movement to heel" (Gruending 1990, 49).

While Thatcher was unable to achieve many of these goals during his time in office, Dale Eisler (2005, 81) argues that Thatcher remains a transformative figure because his government introduced the myth of a

greater future by advancing the argument that the "end of a socialist government, a more welcoming attitude to free enterprise and foreign investment—particularly from the US—would unlock our true economic potential and the myth would finally be achieved."[15]

These ideas would be recycled once again during the Progressive Conservative government of Grant Devine in the 1980s. While the Saskatchewan Tories did not replicate the use of the term "New Saskatchewan," they nevertheless borrowed many of its elements. Devine's 1982 campaign slogan, "There's so much more we can be," again raised the specter of the province's unrealized economic potential. Similar to Saskatchewan Party rhetoric, the NDP was also indicted as growing fat off the province at the people's expense. As one Devine campaign brochure read, "Saskatchewan's great potential has never been more clear. Yet only the government has grown rich" (Progressive Conservative Party of Saskatchewan 1982). Like the Saskatchewan Party today, the Devine government also sought to establish a binary between a stagnant past and a prosperous future:

> The good old province of Saskatchewan is not going to be the same anymore - we're not going to be seventh or eighth anymore - we're going to be number one (Devine cited in Nunn 1982).
>
> The new spirit of the Saskatchewan people will not turn the clock back (Devine cited in Scott 1986a).
>
> The choice is between taking the next step forward into the future or stepping back into the past (Devine cited in Scott 1986b).

The means to achieving this prosperous future would of course require the "freeing" of private investment from the imposed constraints of past social democratic governments. Echoing Ross Thatcher, Devine declared the province "open for business," rescinding 750 regulations in his first year of office, slashing corporate taxes and royalty rates, privatizing major crown corporations such as the Potash Corporation of Saskatchewan, SaskMinerals and SaskOil, and restricting the right of labour to organize (Biggs and Stobbe 1991; Pitsula and Rasmussen 1990; Spencer 2007).

[15] Eisler (2005, 72) argues that the "myth of Saskatchewan" is premised on the enduring belief that "Saskatchewan has a much greater economic and social potential than what it has achieved." According to Eisler, this unfulfilled expectation is the "essential force that drives Saskatchewan's economic and political discourse" (70).

The Devine Tories were also in thrall of Thatcherite "Enterprise Culture," believing the government needed to "awaken the entrepreneurial spirit of the people." Indeed, Health Minister Graham Taylor admitted that at the heart of the Devine government's privatization agenda was the need "to change the thinking of the Saskatchewan people" (Pitsula and Rasmussen 1990, 152).

Finally, like the Saskatchewan Party of today, these political decisions were framed as being "above politics." As Pitsula and Rasmussen state:

> This was typical of Devine. Whenever he wanted to push the province to the right, he claimed to be motivated by 'common sense' or to be doing something that 'no reasonable person could object to.' It was a technique for softening his hard ideological edges (Pitsula and Rasmussen 1990, 48).

What this very brief historical summary reveals is that the "New Saskatchewan" discourse treads upon some very old ground. Rather than a break from the past, Brad Wall and the Saskatchewan Party have resuscitated many of the same narratives deployed by every other governing party that has been in opposition to the NDP. So how does the current use of NS discourse differ from that of the past?

In many respects the NS discourse of today operates in a much more favourable environment due to the general acceptance of neoliberalism as the only possible politics in an era of globalized economic competition (Harvey 2005).[16] At the national level, Canadians have been inundated with the argument that neoliberalism is the only way to ensure our economic competitiveness for the past thirty years (Clarke 1997; Enoch 2007).[17] In Saskatchewan, the public is regularly counselled – by governments of all stripes – that we must emulate or surpass the conservative policies of our neighbour Alberta, lest we be passed over for private investment (Hansen 2003; Rushton 2000). Furthermore, with the NDP's embrace of third way neoliberalism since the early 1990s, there is little in the way of an alternative to neoliberal policies offered to the Saskatchewan populace. Many of the current government's policies are the mere continuation of trends originally advanced under the NDP -

[16] Whether the general public accepts neoliberalism as the only possible politics is certainly contested. However, there can be little argument that among political and economic elites, neoliberalism enjoys broad support (See Enoch 2007; Miller 2010).

[17] For example, the recent debate over corporate taxation has invariably been framed by the Federal Tories as required to ensure Canada's economic competitiveness (See Taber 2011).

particularly in regards to taxes and competition policy (McGrane 2006; Weir 2004).[18] Thus, the NDP has "prepared the way" for the acceptance of neoliberalism for much of the population by advancing many of these policies under the banner of social democracy. There is obviously less room for ideological polarization when both of the mainline parties are in agreement on key aspects of economic policy.

That being said, the Saskatchewan Party has been quite careful to measure its discourse so as not to upset the underlying social democratic sensibilities that still have purchase amongst a significant portion of the electorate. As Pitsula and Rasmussen (1990, 3) observe, "the well-entrenched social democratic tradition of the province requires right-wing political parties in the Province to package their ideology and policy ideas carefully so as not to offend large sections of the electorate." While these traditions may be less "well-entrenched" today, they nevertheless exist, as the Saskatchewan Party discovered to their dismay during the 2003 election. Thus, the NS discourse has refused to adopt the language of aggressive privatization that characterized the Devine-era and have not sought to emulate (at least not to the same degree) the vicious red-baiting of the Thatcher years, although it still regularly paints the NDP as much more to the left of the political spectrum than they actually are.

Perhaps in recognition of these underlying sensibilities, the NS discourse has also put forward the notion that it is the Saskatchewan Party, rather than the NDP, that is the true defender of the vulnerable and the poor. Touting their social policy initiatives in the 2008 Throne Speech, Premier Wall attempted to undermine the association between the NDP and care for society's most vulnerable:

> From a government, from a social democratic government — a group, some self-described socialists — who say, boy, nobody cares like us. That's what they claim. Nobody is there for those who are vulnerable like us in the NDP. Nobody will be there for those who have disabilities or for those without a voice than us. But, Mr Speaker, the truth of it is they weren't there for them — not for years and years and years (Throne Speech Debate 2008).

[18] It is interesting to note that the ultra-conservative Fraser Institute praised "the historic transformation" of economic policy under the NDP in 2007, ranking the province the third best climate for private investment in the country. Brad Wall's "New Saskatchewan" has more recently been touted as the *second* best province for investment by the Fraser, following behind only Alberta. See Abma 2010; Wood 2007.

In contrast, Brad Wall's New Saskatchewan will offer, "growth and opportunity, security *and* compassion" (Throne Speech Debate 2008, my emphasis). While usurping the historic mantle of social justice from the NDP may prove difficult, the use of compassion within the NS discourse allows the Saskatchewan Party to advance its neoliberal agenda while potentially pre-empting criticisms that it is neglecting the most vulnerable in the province.[19]

Thus, the NS discourse has proved highly adept at negotiating the eccentricities of Saskatchewan politics. While it has been careful to measure itself so as not to offend the social democratic sensibilities of a large portion of the electorate, it has also promoted the neoliberalization of the province as the means to which Saskatchewan can finally achieve its untapped economic potential. By linking the recent economic prosperity of the province to the politics of the "New Saskatchewan," it simultaneously associates all past economic malaise as the sole property of the social democrats and their economic policies, despite the long embrace of neoliberalism by successive NDP governments since 1991. Moreover, rather than associating neoliberalism with "tough choices" and "austerity," the NS discourse portrays neoliberal economic policy as the fount of prosperity, finally able to flow freely now that the ideologically imposed restraints of the past have been jettisoned. In this respect, the discourse of the New Saskatchewan is able to sell the neoliberal project without resort to crisis rhetoric. If there is any element of fear within the NS discourse, it is the fear that a return to the social democratic policies of the past will mean a return to economic mediocrity.

Conclusions

While it is impossible to measure what influence the NS discourse has had on the people of Saskatchewan, there is no doubting the popularity of the current government. Recent polls show the Saskatchewan Party the preferred choice of 57.3 percent of the electorate, with Brad Wall considered the "best choice for premier" by a whopping 73.3 percent of respondents (Hall 2010b). In light of such poll numbers, New Democrat sources are "suggesting that the party could be decimated to between four and eight seats" in the next election. Others are even more pessimistic,

[19] While much of the Saskatchewan Party's social agenda is in the traditional neoliberal vein of "growing a bigger economic pie" rather than redistributing the "existing economic pie," they have made modest increases to social assistance rates and other low-income supports For a discussion on neoliberal approaches to social justice, see Wicker 1981.

raising the prospect of the party being wiped out completely (Mandryk 2011). While careful not to draw too many conclusions from these numbers, it certainly appears that the NS discourse has resonated with Saskatchewan voters, as its message of prosperity and optimism appears to align with the current mood of the public (Gray 2009).

However, given the fragile nature of resource-based economies and the vagaries of world commodity markets, the discourse of the New Saskatchewan may prove as fleeting as its predecessors. Saskatchewan has always been particularly prone to the cyclical nature of the global economy, characterized by periods of "Boom and Bust." While the NS discourse is quick to argue that those days are part of the "old" Saskatchewan and that those who might counsel caution to the current heady optimism are "running down" the province, the track record of neoliberalism sustaining economic growth in other parts of the world should give us pause.

As many other scholars have forcefully argued, neoliberalism as a strategy for economic growth has been a broad failure - particularly in comparison to the state-led industrial strategies of the Keynesian era (Chang 2008; Harvey 2005; Kotz and McDonough 2008). Harvey argues that while neoliberalism has not been very successful at *generating* wealth, it has been tremendously successful at *redistributing* wealth upwards. Indeed, Harvey (2005, 16) states that, "redistributive effects and increasing social inequality have in fact been such a persistent feature of neoliberalization as to be regarded as structural to the whole project." The advent of neoliberalism in Saskatchewan has produced similar results, with increased inequality of earnings evident among Saskatchewan families over the past thirty years. Over this period,

> The richest 10 per cent of Saskatchewan families took home the lion's share of the province's economic growth, increasing its share of earnings from twenty-three to twenty-eight per cent. The bottom half of Saskatchewan families have found themselves shut out from economic gains and their share of earnings dropped from twenty-six to twenty-three percent (Gingrich 2009, 41).

Furthermore, inequality in the province has been particularly acute since 2000, with Saskatchewan's after-tax income gap in 2006 the third worst in all of Canada (Gingrich 2009).

Whether the people of the province will accept such growing inequalities as an inevitable part of the 'New Saskatchewan' is an open question. So far, it appears the NS narrative of unlimited prosperity and

growth has managed to conceal the more ugly consequences of neoliberalism from public view. However, while the NS discourse has been aided and abetted by the economic prosperity recently experienced by the province, should Saskatchewan's own brand of neoliberalism demonstrate the same instability and penchant for crisis as it has in the rest of the world, the Wall government may yet have to return to the rhetoric of crisis in order to convince the Saskatchewan public to remain on the neoliberal path.

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

Reflections on Resistance to Neoliberalism
Looking Back on Solidarity in 1983 British Columbia

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Abstract

This article critically examines the 1983 British Columbia (BC) Solidarity experience, a period that marked the first comprehensive neoliberal policy revolution in Canada. It also marked the launch of an extensive movement of extra-parliamentary resistance to neoliberal attempts to undo social and economic gains achieved during the period of Keynesian consensus. The character of this progressive movement of trade unions, social groups and civil society was however limited to "defensive defiance". A number of questions are posed such as: What was the nature of the resistance to neoliberalism in BC in 1983, and to what extent did it succeed? Leftist analysts hotly debated these questions at the time, and a review in hindsight of their views is instructive. And to what degree have the neoliberal agenda and strategy and tactics changed in the ensuing years? Our review in this article suggests both a remarkable continuity and some fundamental changes. Analysis of these events therefore remains historically relevant to those concerned with pan-Canadian political trends.

Résumé

Cet article fait une analyse critique de l'expérience du mouvement de Solidarity en 1983 en Colombie Britannique, à une période qui a marqué la première révolution néolibérale complète au Canada. Ce moment a également signalé le début d'un

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mouvement important de résistance extra-parlementaire aux efforts néolibéraux de déconstruction des acquis sociaux et économiques qui ont été gagnés pendant la période du consensus keynésien. Le caractère de ce mouvement rassemblant des syndicats, certains groupes sociaux et des membres de la société civile était cependant limité à une 'défiance défensive'. Plusieurs questions sont posées, parmi lesquelles: Quelle est la nature de la résistance au néolibéralisme en Colombie Britannique en 1983 et à quel point a-t-elle réussi? Des analystes de gauche ont vivement débattu de ces questions à l'époque et une revue rétrospective de leurs débats est utile. Dans quelle mesure le programme et la stratégie/tactique néolibérale ont-ils changé dans les années qui ont suivi? Notre rétrospective dans cet article suggère à la fois une continuité remarquable et quelques changements fondamentaux. Une analyse de ces évènements reste historiquement pertinente pour ceux et celles qui s'intéressent aux développements politiques au Canada.

Keywords
Defensive defiance; neoliberalism; political strikes; social movement; Solidarity

Mots-clés
Défiance défensive; néolibéralisme; grèves politiques; mouvement sociaux ; Solidarity

This article looks back at the experience of the Solidarity movement in British Columbia (BC) in 1983, when that province was engaged in Canada's first extensive neoliberal transformation. The outcome of that struggle would be watched closely, and would help to shape the policy agendas of governments as well as the popular resistance across the country for decades to come. Our paper reviews the main events and the key contemporary comment of engaged activists and academics. It also provides some reflections on the lessons of this struggle for those who continue to oppose neoliberal globalization. Rather than reinterpreting the insights of those who provided critical analysis at the time of Solidarity, we have attempted to succinctly but accurately summarize their views, and to add our own analysis on their relevance today. Our paper seeks to re-visit Solidarity and the neoliberal moment that brought it into existence in order to better understand this formative event's significance in relation to the advance of neoliberalism in Canada, and the on-going progressive opposition to it.

The right wing agenda of the Social Credit (Socred) government in BC shook the socio-economic fabric of the province. A dissident political consciousness began to awaken; at the same time the popular mobilization alarmed other segments of the population and pushed them into the government's camp. By November 1983, BC was in a state of political crisis,

and society had become polarized to a degree unknown since the Great Depression of the 1930s.

What was the nature of the resistance to neoliberalism in BC in 1983, and to what extent did it succeed? Analysts on the left hotly debated these questions at the time, and a review in hindsight of their views may be instructive. To what degree have the neoliberal agenda, strategy and tactics changed in the ensuing years? Our review in this paper suggests both a remarkable continuity and some fundamental changes.

Analysis of these events therefore remains historically relevant to those concerned with pan-Canadian political trends. More particularly, this analysis provides some perspective and possibly some insights for those who continue to resist the process of neoliberal globalization, which has continued for decades – often in new forms – following the Solidarity experience in BC.

Setting the Scene: Neoliberalism Comes to BC

The introduction in 1983 of a provincial budget along with a sweeping set of 26 legislative bills by the Socred Government of William Bennett was unprecedented in its scope and in its shifting of policy agendas and discourse to the political right. It represented a deliberate frontal assault on many of the foundations of the established broad Keynesian social and political consensus in the province and within Canada. Even for a right-of-centre populist party, which the Socreds represented, in a province with a rather rich history of left-right political divisions (Resnick 2000), this was a bold and provocative move by a government intent on imposing, what until then, was a "hidden" neoliberal ideological policy agenda (Resnick 1986, 22).

Fresh from an election victory in 1983 over its social democratic NDP rivals, the Socred Government introduced its budget and legislative agenda. While the need for restraint was a Socred theme during the election, no hint of the extent and depth of change was discussed during the campaign, so the content of 1983 budget came as a surprise to the province (Block 1984, 8; and Kinsella 1985, 11-12).

The 1983 Budget measures were not about cutting government costs in the immediate term, as the recession of the early 1980s had generated budget deficits. Rather they were about establishing the framework and momentum for redrawing the public policy agenda away from social expenditures and other legitimation functions of the state toward areas that would help liberate market forces, and create a climate very favourable to capital accumulation and business investment. These

included deregulation, lower corporate taxes and constraining the power of trade unions. The Fraser Institute's Michael Walker tellingly suggested that the budget was a beachhead designed to open up the ideological struggle to downsize government (Mcintosh 1983, C7).

The Government's claim that the budget deficit was structural rather than cyclical added weight to their position regarding the need for a major rethinking and reorientation of state spending (Redish and Schworm 1986), a position which would be usefully employed by subsequent neoliberal governments in Canada (Lewis 2003). Bennett argued that this "new economic reality" required government to "take a common sense" and "practical approach" to state spending and to manage state finances more like the family budget (Bennett 1983, 1188; BC Budget 1982, 2). This BC version of the common sense revolution included not just bringing in balanced budgets, but creating a more balanced society where the state's role was greatly reduced, and the private market enhanced and allowed to work its creative and productive powers.

Tactically the Socreds chose to implement their neoliberal agenda through what Allan Garr termed the "big-bang strategy". This strategy consisted of introducing the core elements of their program in one comprehensive package without forwarning. By failing to engage in a process of broad consultation on the policy changes and decisively attacking a broad range of interests at once, the government felt that the opposition would be caught off guard and be unable to organize an effective resistance (Garr 1985, 260).

Aside from the broader goals of the measures identified above, the Budget and the accompanying 26 Bills could be broken down into four distinct categories: 1) measures designed to strip collective bargaining rights from public sector workers and to shrink their numbers; 2) statutes which rolled back renter and human rights; 3) policies aimed at dismantling various other publically supported social and human services; and, 4) measures that centralized power in the hands of the cabinet so that they would be given a freer hand to make "necessary" policy decisions or handle dissent (Shields 1989, 256).

The totality of these measures fit well with generic neoliberal principles. Broadly, neoliberal aims have been centred on shrinking the state and restoring the market since "government failure" is seen as the chief cause of economic and social problems. This shift was particularly targeted against Keynesian regulatory and social policies, in favour of more neo-classical economic laissez-faire orientations. Moreover, neoliberalism seeks to redefine citizenship rights away from its more inclusive social and

economic dimensions as encompassed in the Keynesian social contract to a narrower "lean" form of citizenship – a market based citizenship – stripped of collective socio-economic rights content (Burke, Mooers, and Shields 2000, 12-13). Additionally, neoliberalism is about shaping public policy alignment with the interests of global capitalism, and in this regard we are said to have no alternative but to adjust to the logical of neoliberal globalization because of structural economic pressures (Saad-Filho and Johnston, 2005). Finally, "special interests" empowered by the Keynesian welfare state (unions, public sector bureaucrats, the liberal media and intellectual elite, etc.) must be checked to control their excessive power and contain their demands on the state for special rights and benefits. This has created, according to neoliberals, demand overload resulting in state fiscal crisis and a more generalized problem of a "crisis of democracy", as state capacities became overwhelmed (McBride and Shields 1997, 28-29; Crozier *et al.* 1975, 6-12).

It is important to note that BC was a particularly receptive host to neoliberal ideals because it did have the sharpest left-right divisions in the country (Howlett and Brownsey 1988), and because the business community had organized in resistance to the threat of another NDP government, which had held power from 1972-75. They did this by not only actively supporting the Socreds, but also by financing the establishment the Vancouver-based Fraser Institute which since the 1970s had become an incubator of right wing thinking and a popularizer of its neoliberal ideas. The Fraser Institute's stated purpose was to work for the "redirection of public attention to the role of competitive markets in providing for the well-being of Canadians" (Ohashi and Roth 1980, inside front cover). The Fraser Institute was one of the few groups the government consulted concerning the 1983 Budget. The high praise given by the Institute for the government's measures in 1983 is indicative of both the neoliberal content of the Socred's agenda and the influence of the Institute over government policy thinking. The Institute's leading figure Michael Walker (1983, 8) called the budget in approving tones a "little revolution" (Mcintosh 1983, C7). As Walker noted, Premier Bennett had "turn[ed] on its head...the acceptable notion of what was politically possible and acceptable for governments to do." The political right in Canada, linked into a larger international network, had nurtured the development of think tanks as part of a longer-term strategy to win the battle of ideas (Brownlee 2005) that was necessary to unseat the hegemony of the Keynesian policy paradigm.

Since Canadian governance is characterized by federalism where regional governments possess considerable power, what happens in the provinces is significant for policy learning in other Canadian jurisdictions. In earlier periods progressive social policy had spread out from provinces like Saskatchewan under social democratic government as in the case of medicare. In the 1980s BC would become a learning laboratory for neoliberal policy innovation.

A Brief History of the Political Mobilization

The sweeping neoliberal agenda represented by the 1983 budget and legislative measures generated strong reaction. In particular, it led to the rapid creation of an extra-parliamentary opposition, which marched under the banner of Solidarity. BC's right wing neoliberal revolution generated in true Polanyian fashion a "double movement" (Polanyi 2001) by a progressive opposition, a political protest movement unlike any other in the history of the province.

The Socred government's 1983 budget "revolution" generated a reaction of initial disbelief, tension and a measure of disorganization as the NDP, the media, trade unions and community groups struggled to grasp what it all meant and to absorb the enormity of the changes (Kieran 1983, A2). It was the Socreds' intention to radically alter the balance between the public and private sectors, and dismantle rights, which quite naturally aroused strong reactions.

The NDP, as Her Majesty's Loyal Opposition, was the first to oppose the government. It was a vocal critic of the restraint program, working actively to resist its implementation. However, its struggle against the legislation was waged strictly as a parliamentary battle. The NDP utilized every avenue and tactic in its legislative arsenal in an attempt to block, or at least delay for as long as possible, the passage of the most offensive statutes.

The Socreds were, however, able to blunt the effectiveness of this opposition through the use (or misuse) of parliamentary procedures such as marathon sessions, closure and eventually the physical expulsion of the leader of the opposition. In a province with a history of rough and tumble politics both inside and outside the Legislature, the July 1983 legislative session presented a special challenge to democratic parliamentary practice. In order to push its 26 bills through the legislature, the Socred government adopted a practice of legislation by exhaustion without the opportunity for substantive debate. Closure, not used in BC since 1957, was invoked no less than 20 times (Wilson 1984, 123, 126). The

government's unwilling to moderate in the face of intense parliamentary resistance, however, showed the limitations of representative democratic institutions, revealing legislatures to be, in this instance, simply "talk shops" (Yandle 1984, 5).

Outside of the Legislature the reaction to the Socreds' intransigence was a degree of protest and popular mobilization that illustrated the gulf that had come to separate the population from the government and its so-called "restraint" program. The mood of frustration and anger displayed by public sector workers such as the disgruntled BC teachers (Ballard, 1983) over the government's refusal to moderate its sweeping "restraint" program, even in the face of massive disapproval, expressed how deeply the 1983 Budget touched and activated even normally non-political British Columbians. Government supporters, on the other hand, construed Solidarity as not only a disruptive force but a potential threat to democratic government itself (Mulgrew 1983, 4).

This non-institutionalized form of opposition took the form of "the broadest social movement in the province's history" (Diamond 1984, 268). Historically the BC union movement has a tradition of militancy and political activism, often providing a core of mobilization around which community groups could coalesce (Carroll 1984, 110). But the Solidarity movement grew rapidly into something more than an adjunct to labour mobilization, setting new directions for progressive struggle in the province.

The Solidarity movement developed as separate but coordinated networks of both labour and community organizations. One wing of the movement was Operation Solidarity, the trade union element. It was an organization founded by the province's central labour organization, the BC Federation of Labour (BC Fed). Operation Solidarity, however, looked beyond its own Federation membership and sought to speak for nearly every organized worker in the province.

The other wing of the protest movement was rooted in community organizations and broader community concern. The Solidarity Coalition invited under its umbrella any group or organization in BC that opposed the Socreds' budget and legislative package. It was comprised of a broad spectrum of interests ranging from professionals to the unemployed, consumers to small business, feminists to ethnic minorities, environmentalists as well as the disabled, in short, the so-called community group elements within civil society (*Solidarity Coalition Bulletin* 1983, 2-3). The political range within this component of Solidarity was consequently also very broad, ranging from real progressive

conservatives to communist and anarchistic elements, united by what they opposed rather than a particular alternative vision.

On 15 July BC Fed President Art Kube organized a conference inviting both Federation-affiliated and non-affiliated unions. This was key to building an alliance with the more than 75,000 public sector unions representing teachers, hospital workers and nurses. The conference represented the birth of Operation Solidarity, the labour wing of the Solidarity movement (*Pacific Tribune* 1983, 1).

The first popular organization to arise in reaction to the government's moves was the Lower Mainland Budget Coalition (LMBC). It was the creation of the Vancouver and District Labour Council's Unemployment Action Centre and representatives from over fifty community groups and unions in the city (Carroll 1984, 96). Labour leaders and members of the Communist party were instrumental in initial organizing, but the impetus came from hundreds of community members angered by the Socred agenda.

The LMBC adopted the operating principle that "an injury to one is an injury to all", and made itself open to all organizations committed to defeating the Socred budget and legislative program and fighting for the defence and enhancement of economic, democratic and human rights (Lower Mainland Budget Coalition n.d.). The Budget Coalition organized a rally on short notice for 23 July, and drew an estimated 25,000 supporters, surpassing the expectations of even the most optimistic (*Solidarity Times* 1983, 5).

By the end of July the two structures joined together politically under the Solidarity banner. Operation Solidarity was the main trade union wing of the movement, under the direction of the BC Fed. Every major BC community also had a local Solidarity Coalition, although the largest by far was the Lower Mainland Solidarity Coalition (originally the Lower Mainland Budget Coalition). Some unions were active in the locally based Solidarity coalitions, particularly the Canadian unions not affiliated with the BC Fed.

The remade Solidarity movement devised a three-phase campaign of action designed to pressure the government into retreating on the legislation. Phase one would encompass mass rallies. Phase two would diversify the protest and pressure tactics. The second phase included placing legislative pressure on the government by supporting NDP filibustering, having a continuous Solidarity presence at the Legislature, filling the gallery during debates, and contacting individual Socred MLAs. Also organized as part of phase two was a "Speak Out" campaign with a

petition and buttons to wear to work. As well, attention would be focused on particular issues like human rights, or education, during particular weeks. The final phase of action would involve public sector bargaining, and industrial action, although the direction this would take was not immediately clear (Kuehn 1983, 1).

Within Operation Solidarity, there was considerable discussion about the plans for gradually escalating strikes, and the related issues of legal and illegal strikes, and direct political action. At the founding of Operation Solidarity, the BC Fed leader Art Kube had rejected the notion of a full-fledged general strike. Union leaders and activists were also preoccupied with maintaining support from the media and the general public.

Meanwhile the Socred government responded with its own tactics to counter the plan of action from Operation Solidarity – suspending the legislature for a "cooling off" period, postponing some scheduled layoffs, and making deals with particular unions. They also escalated their rhetorical denunciation of the Solidarity movement, and threats of punitive action against the unions and their leaders. Nevertheless, union opposition to the government continued to grow, particularly in terms of opposition to Bill 3, which aimed to slash the size of the civil service. Despite attempts at dividing the teachers' union and their strike plans, between 80 and 90 percent of the members joined a strike called by their leaders (McLintock 1983, 27).

In the late summer and fall of 1983 the growing numbers at Solidarity-organized demonstrations showed the gathering public support for the movement. A major rally at Vancouver's Empire Stadium on 10 August drew more than 40,000; effectively this was a short public sector general strike as workers left their jobs to join in. The demonstration on 15 October turned into the largest anti-government mobilization in BC history, with between 50,000 and 60,000 people marching past the Socred Party's annual convention in downtown Vancouver (Sarti 1983, A16). At the rallying point Solidarity presented "A Declaration of Rights of the People of British Columbia", a charter that endorsed as fundamental the sanctity of the very rights the government was attempting to dismantle. BC Solidarity had developed into a major social movement.

In November of 1983 the titanic struggle between Solidarity and the government climaxed in an escalating public sector strike. A settlement was reached, the so-called "Kelowna Accord", only hours before an ultimate and seemingly irreversible showdown was to occur. Except for the resolution of a formal contract dispute with the BC Government

Employees Union (BCGEU), the Kelowna Accord was a verbal deal between representatives of the Socred government and the union leaders of Operation Solidarity. Interpretation of the deal was therefore subject to possible misunderstanding or further negotiation.

In essence the Kelowna Accord provided for the following according to Operation Solidarity:

- The BCGEU settlement would exempt the union from Bill 3, and this contract provision would serve as a model for the exemption of other unions from Bill 3. This Bill essentially gave government a free hand to lay off workers without regard to negotiated contract provisions such as seniority;
- Bill 2, the Public Service Labour Relations Amendment Act, would be allowed to die on the order paper. This Bill would have stripped the right of the union to negotiate, anything other than wages, terms and conditions of work with their employer;
- No reprisals would be directed against any of the strikers or their unions;
- There would be ministerial consultation with respect to rent control legislation;
- There would be advisory commissions established for the purpose of public consultation on Human Rights and Labour Code legislative changes;
- Consultation mechanisms would be established for individuals and groups for the purpose of proposing alternative budget priority suggestions; and
- Money saved on teachers' salaries during the strike would be returned to the education budget, purportedly to avert the necessity of teacher layoffs (Larkin 1984, 6).

The last point of the agreement caused conflict over the next few months, with the government demanding that teachers make up the three work days lost during the strike before any savings would be returned to the school system. Operation Solidarity threatened to reactivate the strike but practically this was not possible, and the government interpretation prevailed. However, the Kelowna Accord provided important victories for Operation Solidarity and its supporters in relation to two of the most offensive pieces of the proposed labour legislation. Public sector unions were allowed to preserve the principle of seniority rights through

exemptions to Bill 3, and the withdrawal of Bill 2 allowed the BCGEU to maintain bargaining rights over multiple issues – critical to the preservation of "free" collective bargaining.

None of the labour leaders saw the Kelowna Accord as an unmitigated victory; the most optimistic spoke in terms of limited and symbolic gains – the defeat of key pieces of legislation, and the building of solidarity and struggle. The labour leaders also believed that they had made some progress on the social issues of most concern to their partners in the Solidarity Coalition. There were intense debates within organized labour over the use of "political strikes", and a future orientation towards business or social unionism. But these remained largely internal to the trade union movement.

The dissatisfaction of the Solidarity Coalition with the Kelowna Accord, however, was more public. Many of its spokespersons publicly chastised Operation Solidarity for its failure to consult with its coalition partners, and for labour's failure to stay on the picket lines until resolution of the concerns of the community groups. Many within the Solidarity Coalition viewed these omissions as a betrayal by the labour leadership (Glavin 1983, A1). The situation was aggravated by the unfortunate fact that the main Operation Solidarity leader Art Kube, who had facilitated much of the on-going communications between organized labour and community representatives, fell ill during the negotiations of the Kelowna Accord and withdrew from the negotiations. Nevertheless, it was clear that the leaders of Operation Solidarity had given only cosmetic treatment to the main concerns of their community partners, such as human and tenant rights. That the union leaders saw these as "political" issues to be resolved through the ballot box revealed the depth of differences between the two wings of the movement.

After the Kelowna accord, Solidarity passed from a mass extra-parliamentary opposition movement to a much smaller and more institutionalized government watchdog organization. In spite of a sense of betrayal by their union partners, the Solidarity Coalition vowed to continue the battle around social issues and human rights.

Solidarity remained an active critic of the Socred government, becoming a continuing source of media attention as a counter to government policy on labour and social issues. The experience also developed a new level of collaboration and unity in the BC trade union movement, particularly between private and public sector unions, a unity that would become very important in the unions struggle in 1987 against an attempt to overhaul the BC Labour Code along neoliberal lines. This

unity was maintained through active communications and collaboration in the years immediately following 1983. No doubt influenced by the tensions between the community sector and organized labour as a result of the Solidarity experience the battle against the sweeping 1987 BC labour code changes took the form of a union directed and focused boycott which to a large degree effectively negated the worst aspects of the legislative changes (Shields 1991).

Analysis of the Events

Interpretations by Left-Wing Analysts

The dramatic experience of the Solidarity movement and its confrontation with the BC Socred government quite naturally gave rise to considerable commentary by left-wing analysts. The most extensive account came from historian Bryan Palmer, who saw a movement with exhilarating potential led to a crushing defeat by its leaders. Palmer's analysis focused on the role of the labour bureaucracy and social democratic reformism in the downfall of Solidarity. He highlighted in particular:

- Insufficient or even false information provided by the movement's leaders to its supporters, and their role in demobilizing or limiting mass action;
- The suspicion and fear of the NDP in relation to any mass movement outside the parliamentary arena; and,
- The resistance of the labour leadership in BC to engagement in grassroots militant and revolutionary working class struggle.

For Palmer, the Solidarity movement could have won great victories if the leaders had not sabotaged its evolution towards a general strike (Palmer 1987, 88-103).

Maurice Rush of the Communist Party of Canada provided a more favourable assessment of the Solidarity experience, emphasizing the gains that were achieved, the historic significance of the trade union leaders' engagement in extra-parliamentary struggle (led by the public sector unions), and the enduring legacy of united popular struggle (1984, 10). Philip Resnick's observations challenged those like Palmer who saw potential victory through a general strike. Resnick questioned the prospects of a prolonged public sector strike without substantial private sector union engagement, and noted the risk of driving public opinion into the Socred's camp. For Resnick the victory of Solidarity was in the struggle

itself. The movement showed that a neo-conservative/neoliberal agenda could not be implemented with impunity in BC, or presumably in the rest of Canada (1986, 34). William Carroll viewed the Solidarity experience as a limited and defensive reaction to a neo-conservative/neoliberal revolution in BC. For Carroll the conservatism and bureaucratic habits of the union leaders were too entrenched to permit them to lead and win the militant struggle that was required. However, the grassroots organizations in the Solidarity Coalition, representing the community sector of the movement, had more potential to develop a counter-hegemonic force opposing the neoliberal agenda. The failure to achieve this goal was due to a number of key weaknesses in the left opposition:

- The organizational divisions and communication gaps between the two wings of the movement;
- A lack of priorities in the movement's opposition to the government legislation, leading to an inability to impose a reasonable compromise as dictated by political necessity;
- The split between "trade union" and "social/political" issues within the movement; and,
- Solidarity's failure to articulate and discuss a social alternative to neoliberalism.

Carroll concluded that these weaknesses resulted in the BC left reverting to old-style Keynesian solutions after the Solidarity experience, while neoliberalism became the dominant ideological force (Carroll 1984, 104; Carroll 1987).

Review of the Left Analysis

Given the nature of the economic and political forces within which the Solidarity movement developed, what should we think in retrospect of the analysis provided by contemporary left observers? Was Solidarity a failure or success? What forces strengthened or weakened the movement? What role did the labour leadership, and the fragile alliance between unions and community groups play? And what did the Socred government, and other neoliberal forces across Canada, learn from the experience?

Palmer argued that both labour and community groups were betrayed by reformist union bureaucrats who would not or could not lead the class struggle. While there is no doubt that the BC trade union leaders were reformist and social democratic, it is not so clear that the majority of rank-and-file union leaders were more class conscious or potentially

revolutionary. And what evidence do we have that a constant escalation of tactics and political demands – culminating in a general strike for the complete abolition of all the Socred legislation – would have produced victory for the popular movement rather than a political crisis ultimately consolidating the power of the Socred government?

Both Rush and Resnick provided relevant responses to Palmer's perspective. Rush observes that the BC trade union leaders did in fact engage in a degree of extra-parliamentary struggle that while ultimately perhaps too constrained, went far beyond the limits of previous struggles. And Resnick questioned the possibility of achieving victory for all of Solidarity's demands through a general strike, given the ambiguity of public opinion towards general strikes in liberal democracies. Both Rush and Resnick suggested – correctly we believe – that the Solidarity experience could not be accurately labelled as either a victory or a failure. The Solidarity movement at a minimum had demonstrated that popular forces in BC were willing to "unite and fight" against the radical right-wing agenda.

Of all the authors who provided critical reviews of the Solidarity experience, Carroll provided the analysis which best stands the test of time. He correctly identified the limited and defensive character of the opposition to the imposition of the neoliberal agenda in BC. He also recognized the importance of the numerous displays of militancy displayed in the struggle. Finally, and most importantly, Carroll identified the opposition's failure to develop its own program as a counter hegemonic force to the neoliberal policy agenda. In this context it is worth recalling Piven and Cloward's (1979, xiii) observation that: "What was won must be judged by what was possible."

In retrospect it seems evident that Palmer did raise an important point regarding the failure of the leadership in the union movement, as demonstrated by its inability to move beyond narrow trade union consciousness. Such movement would be required to build a counter hegemonic paradigm, beyond the obvious limits of Keynesianism, to neoliberalism. However, this was a more generalized problem among progressive forces that limited popular mobilization in resistance to neoliberalism to a decidedly defensive posture, and also made it difficult to compete effectively with neoliberal forces in the larger term battle of ideas.

What the Solidarity experience did reveal was that a new era of politics had arisen for British Columbia, and ultimately of course across Canada and globally. It was characterized by the appearance of mass extra-parliamentary resistance to the emerging and fundamental shift in state

policies, and by the scramble of popular forces to develop alliances and strategies capable or resisting the erosion of the Keynesian welfare state.

The Significance of the Solidarity Experience

Plus Ça Change…

Looking back on the Solidarity experience, it is striking to see how little the core aims of the neoliberal agenda have changed. The erosion of the welfare state and related workers' and human rights have remained central to the agenda of both provincial and federal governments for the nearly three decades since the trade unions and community groups of BC challenged the ruling Socred government. Many of the methods of imposing these changes have remained constant as well, from the disruption of basic parliamentary procedures, to the harsh criticism of the opposition as enemies of democracy and economic progress.

Much has changed in this time of course, both in Canada and in the world. Perhaps most striking is the pace of globalization of the economy and the labour market (McBride 2005). Along with restrictions and rollbacks of the rights of unionized and nonunionized workers (Panitch and Swartz 2003), we are witness to a constant increase in economic polarization (Olsen 2011; Federation of Canadian Municipalities 2008) and the pervasive nature of precarious work (Burke and Shields 2000, Vosko 2000). While immigrants and racialized groups bear the brunt of the most extreme forms of temporary and precarious labour (Shields 2004; Sassen 1999), the new rules of work now extend even to young professionals who routinely do unpaid with the hope of eventually winning the right to paid employment. Side-by-side with the international triumph of market economics are the globalization of popular struggles and the internationalization of political issues (Held and McGrew 2007; Panitch and Leys 2002). The opposition to the two Iraq wars and military intervention in Afghanistan, as well as the broad support for militant environmentalism, are two examples that come to mind.

At the same time these past decades have been defined by a relentless ideological assault on the social citizenship rights that defined the post-World War II social contract and the political consensus represented by the welfare state (Coutu 2006). Citizens are now construed as little more than consumers, not only in the economic marketplace and labour market, but also as members of civil society (Sears 2003). Electoral campaigns are based on an appeal to the votes of these "consumers" for economic bargains through reduced taxes, with little serious public

discussion of the consequences in terms of elimination of public goods. Opposition to the neoliberal agenda has largely been transformed from "inadvisable" to "impossible", and alternative agendas removed from consideration. The development of a political agenda – whether broad or narrow – requires as a precondition that it be framed in terms of neoliberal values of reduced government, deficit reduction, and the predominance of market forces. There is a chilling degree of truth in the assertion of George Monbiot (2007) that "We are all neoliberals now."

Accompanying the ideological assault of neoliberalism – in Canada at least – has been a shift in strategy and tactics for achieving the desired economic and political transformation. With the notable exception of the Mike Harris "Common Sense Revolution" in Ontario in the late 1990s, and the more targeted but aggressive attacks on BC labour in 1987 and 2000 (Camfield 2006) the implementation of the neoliberal agenda has been characterized less by frontal assault as per the BC Solidarity era, as typified by the tactics of "first wave neoliberalism" (Steger and Roy 2010), and more by a kind of relentless incrementalism. In the process the welfare state has come to be gradually "hollowed out" (Jessop 2002), although the façade remains.

One of the lessons of the BC Solidarity experience for the right-wing forces, and one that appears to have had great impact, was that a frontal assault approach, while not totally abandoned, runs a considerable risk of radicalizing the popular opposition. From proroguing our federal Parliament at the convenience of a minority government, to gradual privatization of the health care system and corporatization of the universities, the march of neoliberalism has been steady and the accumulation of victories impressive. Particularly striking in recent years has been the promotion and growth of the military and police apparatus within government. The massive investments in Canada's armed forces and the criminalization of dissent during the G20 protests in Toronto in 2010 provide dramatic proof that the bloated and unproductive portion of government that the neoliberals want to eliminate does not include the apparatus of "law and order" and repression (Paris 2011, 22-30).

The Solidarity experience in BC in 1983 was characterized by a frontal assault on social services, union rights and human liberties. The portrayal of this assault as a form of progress towards a new era of economic progress and political liberty was an important aspect of the conflict, and one that would grow in significance throughout Canada for decades to come. Significantly, this frontal assault developed a mass and militant extra-parliamentary resistance, uniting a variety of both working

class and middle class forces against the government, and polarizing opposition to the neoliberal agenda in a manner that would not soon be forgotten. However, sustaining the unity, let alone the mobilization, of a popular opposition to neoliberalism has been made particularly challenging because of the inability of popular forces to develop their own counter hegemonic agenda that is able to move beyond the extremely limited vision of the now dated Keynesian paradigm.

Issues to Consider

The issues posed by the dominance of neoliberalism are vast. Certainly it is far beyond our capacity in this or any single article to categorize them, much less to provide substantive analysis. In the spirit of reflection and debate, however, let us suggest three topics that strike us as particularly worthy of consideration in relation to the BC Solidarity experience.

First, what is the significance of the global nature of economic restructuring and resistance? What does the increasingly globalized nature of the struggle against neoliberalism mean for developing an alternative political vision? What are the implications of specific trends such as global ecopolitics, and international anti-war mobilization? What is the effect of ideological trends such as the implicit but essentially anarchist nature of global solidarity movements? And how can the politically and technologically "wired" nature of global protest be used to shape and strengthen concrete domestic political alternatives?

More locally, what is the role of community organizations in the continuing development of an extra-parliamentary opposition to the imposition of the neoliberal agenda? In Ontario in particular we appear to have experienced a more diffused but nevertheless persistent opposition to neoliberalism from various organizations and alliances rooted in the community services sector. To what extent is this form of opposition rooted in a different political economy and political infrastructure, particularly the triumph of new public management and the divesture of state services to contracted community organizations? And to what degree can this moderate yet persistent opposition continue to contribute to resistance to the neoliberal agenda?

Looking more globally again, what can we say at this point in the twenty-first century about the link between socialism and democracy? Undoubtedly work must continue to analyze and expose the links between capitalist globalization and the degradation of workers' rights, general human rights and the environment. At the same time we must admit that neoliberalism has been largely successful in establishing a significant

popular consensus associating individual liberty with a capitalist economy. Perhaps it is time to revisit the libertarian ideals of the Marxists and anarchists of the early twentieth century, and the international New Left of the 1960s and 1970s, in order to re-establish the credibility of the socialist claim to freedom.

Conclusion

The political events in British Columbia formed the cutting edge of the attack by the new right in Canada, representing a local expression of a new politics already evinced in Thatcherism and Reagonomics. That scope of the challenge posed to the post-war social contract was evident in the 1983 Budget of the governing Social Credit Party. The immediate result was a mobilization and politicization of popular forces in defense of the welfare state. When the political strike action by Solidarity achieved a measure denied to the legislative efforts of the New Democratic Party, an end was signaled to the politics of consensus and the channeling of popular dissent into parliamentary processes. Ultimately however Solidarity offered no broad and long-term alternative vision to that of the neoliberals, and the victories of the movement were only partial and time limited. The Solidarity movement was characterized essentially by a broad-based and militant "defensive defiance" which only limited, or postponed, the achievement of neoliberal economic and political goals.

With some notable exceptions like the Mike Harris years in the late 1990s in Ontario (Camfield 2000), the imposition of the neoliberal agenda in Canada has been characterized less by the frontal assault of the BC Solidarity period, and more by a relentless incrementalism in policy and program. At the same time the alleged necessity of these incremental changes finds ever-new and more pervasive justification in an unrelenting ideological assault on the fundamental notions of social and citizenship rights beyond the limits of "free" market relations.

This situation could change rapidly of course, in any particular province, or for Canada as a whole. The neoliberal forces might well be sufficiently heartened by examples like Cameron's agenda (Seymour 2010; Hutton and Penny 2010) in the United Kingdom to return to a strategy of whole-scale frontal assault on the remnants of the welfare state and the related rights of workers and citizens. This has become a particular greater possibility in the context of the return to "public sector austerity" agenda resulting from the global financial crisis of 2007-2008 (Albo and Evans 2010). But for now at least, in Canada, it would appear that the leaders of the neoliberal crusade are content to patiently implement their agenda in

bits and pieces, while engineering the public discourse to eliminate the very possibility of alternatives. The risk of large-scale class and social conflict that comes with the alternative agenda of frontal assault may be judged as simply too great. The experience of the Solidarity movement in BC and current popular mobilizations against austerity may well be convincing pieces of evidence to justify this conclusion.

Under these conditions, it will remain exceedingly difficult for progressive forms to move beyond a series of defensive struggles in reaction to the long march of neoliberal reform. As in BC, moving beyond a defensive reaction requires not only leaders with credible strategies and practical tactics, but also the energy and cohesion provided by an alternative vision. Developing such a vision of course presents enormous challenges, especially if there is more concern with popular credibility than political correctness. But these challenges must be addressed if any serious movement to block and ultimately defeat the global imposition of neoliberalism is to occur.

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

The Fragile Rise of Bourgeois Hegemony and the Neoliberal State in Mexico

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Abstract

The corporate offensive was the main driving force in the neoliberal transformation of Mexico as it was in the United States and Canada. But in Mexico the corporate power bloc had to change the political order to achieve its hegemonic aspirations and desired policy changes. While the top bourgeoisie have been able to achieve more direct control of the state, they have not been able to establish a stable system of domination. The rise of bourgeois hegemony in Mexico is fragile. But the working class has not yet been able to find its voice and break free of the bonds of Mexico's old state-linked unions or state system of labour repression in general. However, the on-going hardships imposed by neoliberalism, the fragile legitimacy of the new political regime, and the surviving popular traditions of revolutionary struggle point to a renewal of a class-based popular fight-back sooner rather than later.

Résumé

L'offensive du patronat a été la force prépondérante derrière la transformation néolibérale du Mexique, comme aux Etats-Unis et au Canada. Mais, au Mexique, le bloc du pouvoir patronal était obligé de transformer l'ordre politique afin de réaliser ses aspirations hégémoniques et la transformations politiques souhaitées. Alors que la haute bourgeoisie a réussi à renforcer son contrôle direct sur l'état, elle n'a pas réussi à établir un système stable de domination. L'ascendance de l'hégémonie bourgeoise au Mexique est fragile. Mais, la classe ouvrière n'a pas encore réussi à trouver sa voix et à briser les chaines des anciens syndicats liés à l'état mexicain ou le système étatique de répression du travail en général. Néanmoins, les difficultés de longue durée imposée

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par le néolibéralisme, la légitimité fragile du nouveau régime politique et les traditions populaires de lutte révolutionnaire qui persistent, suggère la renaissance d'une contre-attaque populaire basée sur les classes, plus tôt et non plus tard.

Keywords
Hegemony; neoliberalism; state; unions; workers

Mots-clés
hégémonie; néoliberalisme; état; syndicats; travailleurs

The Rise of Bourgeois Hegemony

The Old Regime and the Bourgeoisie

Mexico's one-party presidentialist system, the major role of the state in the economy, and the rhetoric of "revolutionary nationalism" obscured the tremendous power that business had in the old regime as well as its role in bringing about the neoliberal regime and competitive elections. Though there were important differences between the various Mexican presidential regimes of the PRI (*Partido Revolucionario Institucional* / Institutional Revolutionary Party) in its 70+ years of rule, a constant was the pursuit of national capitalist development. The Mexican Revolution of 1910-1920 produced a regime that combined elements of Bonapartism with elements of corporatism. Though limited to one term after 1928, the President ruled over a system based on the corporatist control of the popular classes incorporated into a state party system. The ruling political elites based their power on the contained and compartmentalized mobilization of popular forces that could offset the power of the domestic oligarchy as well as foreign capital and government. The popular support and legitimacy of the revolutionary regime rested on the promise and practice of major concessions while these concessions, in turn, gave credibility to the legitimating ideology. The extent and the character of these concessions varied from president to president, reaching their most radical peak in the presidency of Lázaro Cárdenas (1934-1940) when major land redistribution was carried out, the foreign owned oil industry was nationalized, and worker and peasant organization was promoted. However the goal of national capitalist development remained primary throughout all these presidencies.

There was a wide spectrum of views within the political elite as to the right mix between social justice and capitalist development but, in general, there was a shared belief that a national capitalist route of

development was the only viable path. Even those who were socialists, with few exceptions, felt that Mexico had to develop through capitalism. But there was also the widely shared belief that the excesses of capitalism could be contained by an actively interventionist state, that a balance between different class interests could be maintained for the sake of the broader national interest. Capitalist development also provided opportunities for members of the political elite to advance their private interests and to become capitalists themselves.

Beyond opposition to specific governmental policies, the big fear of business was that the great degree of state autonomy, the revolutionary rhetoric of the regime, and the demands of workers and peasants could, as it at times did, lead to major attacks against specific capitalist interests or the interests of capital as a whole. Big business was kept distant from governmental power at the same time that governmental policies generally favoured the interests of big business. Sections of big business, especially the northern business elite centred in Monterrey, persistently and bitterly opposed the strong, relatively autonomous state but cooperated with it in their quest for riches.

Although Big Business was kept away from direct political power, it nevertheless had significant power based on its wealth and control of key sectors of the economy. Capitalists, acting individually or in a coordinated manner, have powerful economic levers that any government has to take into account in shaping policy. Capital flight, the withholding of investment, the relocation of plants, are all potent weapons that can impose powerful constraints or penalties on a government and on its ability to carry out its programs, or even survive.

But the use of this capitalist class power was constrained by divisions within the capitalist class and by the willingness of the political elite to come down fiercely on open criticism of the regime. Thus, while the political elite was constrained by the nature of its goal of capitalist development as well as the strength of some sectors of capital, it also had important leverage that it could use against individual capitalists or sectors of capital. As well as imposing costs and obstacles on difficult companies, it could and did even expropriate some businesses. The use of these levers against individual capitalists would not only give a strong message to other capitalists but these occasional attacks on "selfish" capitalists could contribute to the legitimation of the regime as a "revolutionary nationalist" one. Popular sectors could be mobilized as part of this disciplining and legitimating process. As well, the state actively sought to keep the business class divided, a policy it also carried out among the popular sectors.

The power of Big Business grew along with its economic power during the Mexican miracle (1940-1970). But this expansionary phase of Mexico's ISI (Import Substitution Industrialization) period provided significant profits for most sectors of Mexican capital and limited the more extreme anti-regime views within the capitalist class to a minority. The expanded power of business would combine with a series of economic and political crisis to transform the balance of forces within the Mexican bourgeoisie.

The Transition: The Struggle for Hegemony

The growing tensions between the political elites and the Mexican bourgeoisie would come to a head during the presidencies of Luis Echeverría (1970-1976) and José Lopez Portillo (1976-1982) as the regime tried to deal with various political and economic crises in ways that deeply disturbed business. When Luis Echeverría, who had been Secretary of Government (Interior) when the student massacre of 1968 took place, became President in 1970, he sought to regain both his legitimacy and that of the regime by a political liberalization and populist policies of wage increases and state-directed economic development. The government feared that the militancy of the urban-popular protest of the late '60's would spread to the working class. These changes in the regime's strategy – as well as the rise of worker struggles – disrupted the fragile equilibrium between the state elite, big national capital, and the multinationals that had developed during the period of *desarrollo estabilizador* (stabilized growth model). Key business groups resented the plan to withdraw subsidies and to have more efficient tax collection. They felt threatened by the rise of workers militancy that showed prospects of spilling beyond the terrain of narrowly economic interests.

The sharp rise in business discontent in response to Echeverría's flirtation with populism and the growth of labour militancy in the early 1970's, led to the formation of the CCE (*Consejo Coordinador Empresarial* / Business Coordinating Council), the umbrella organization of business that sought to bring together the varied and often discordant voices of business. The key force in the formation of the CCE was the CMHN (*Cámara Mexicana de Hombres de Negocios* / Mexican Businessmen's Council). The CMHN had been formed in 1962 by twelve of the most powerful businessmen in Mexico who sought to strengthen business influence by forming this highly exclusive and secretive organization with the goal of discretely lobbying and pressuring the government. The CMHN, which now has 36 members, remains the most powerful business group in Mexico. It has provided most

of the funding for the CCE and many of the CCE's presidents came from the small group of members of the CMHN (Cypher and Delgado Wise 2010; Puga 2004; Schneider 2002). Open business criticism of government policy grew in the '70s but remained limited to criticisms of policy, never extending to the legitimacy of the regime.

The power of business was strengthened by the financial and economic crisis of 1976 which forced Mexico to go to the IMF for help. The leverage of the IMF strengthened the hands of big business and their allies within the government. Thus, the conservative forces in Mexican society, with the aid of international capital and the IMF, were able to defeat the populist flirtation of Echeverría.

The new government of President José Lopez Portillo (1976-1982) sought to restore business confidence and reassure the IMF. Business-state relations warmed when López Portillo made conciliatory gestures to business in the first years of his presidency. The moderate forces in business were strengthened and business retreated from direct policy criticism. Based on the hoped-for revenues from the discovery of vast new oil reserves, the government borrowed massively to finance its "alliance for profits," a policy of promoting and subsidizing profits. While the government's spending spree greatly enriched the wealthy and powerful, it sowed the seeds of Mexico's financial crisis. Mexico's debt crisis both saddled the Mexican people with astronomical public indebtedness and increased the leverage of foreign capital.

Mexico's economic crisis peaked towards the end of Lopez Portillo's presidency as the country faced massive capital flight, the possible bankruptcy of the state, and the financial panic of August 1982. This crisis not only threatened the Mexican state but also the interests of the foreign creditors of Mexico's banks. The President responded by nationalizing the banks (Marois 2008; Cypher 1990, 120-121). The nationalization of the banks by Lopez Portillo in 1982 led to a new political direction for business. The bank nationalization, carried out to protect foreign creditors of Mexican banks, showed both the increased leverage of US capital and the IMF and the tremendous autonomous power of the state to act against the most powerful sections of Mexican capital. The nationalization was accompanied by populist-nationalist rhetoric and elicited a tremendous popular response. Business as a class felt threatened. The strategies of the more radical wings of business gained strength. A consensus was emerging that the regime itself had to be challenged. "Business now had a longer time horizon and its goals were more political and less narrowly instrumental" (Thacker 2000, 107). Business now had hegemonic

aspirations though, of course, there were still important policy divisions within business on the role of the state in the economy and on free trade. The most powerful sectors of business were for a diminished economic role of the state, the destruction of unions, and an opening of the economy to foreign capital. These sections would be strengthened by the massive privatization of the 1980s and 1990s and would be joined by powerful new sectors created by these very privatization projects. At the same time, those business sectors tied to the domestic market, state subsidies, and state protection from external competition, would be severely weakened.

López Portillo's nationalization of the banks occurred at the very tail end of his presidency. The incoming President, Miguel de la Madrid, was not even consulted. The presidency of de la Madrid can be seen as a transitional presidency to the neoliberal triumph. He first sought to restore business confidence while maintaining the preeminent role of the state in guiding the economy. But Business was not satisfied with this approach and fought hard during the early years of his presidency to shift policy and power more to the neoliberal right, to change tripartite consultations (business, unions and the state) to bipartite (business and the state) and to insulate the government from populist temptations. President de la Madrid carried out measures that greatly strengthened the power of Big Business and affected the internal make-up of the business class. "Many of the new owners of these privatized firms came from 'the ranks of new private financiers that rose to power during the financially volatile 1980s' (Heredia quoted in Thatcher 2000, 116) and the acquisition of these companies fortified the development of the new, independent, financially connected entrepreneurial class" (Thacker 2000, 116). The wealth and power of business increased as did the concentration of capital in Mexican society and within the business class.

An important opponent of the neoliberal assault on the state sector was the political-economic elite of the state whose significant privileges and power were based on their commanding positions in state enterprise as well as their simultaneous or sequential roles in the ruling party bureaucracy or government. Their state-based positions required the continuation of a powerful state economic sector. The ideology of "revolutionary nationalism" and the directing role of the state within a capitalist economy fit their interests well. As well, the "*charros*" sitting atop the large unions in the public sector, who were also intertwined with the ruling party and the state, shared the ideology and interests of the state

elite in a strong public economic sector.[1] And workers in this sector often had better jobs and benefits than those in the private sector. As well, important sections of small and middle-sized capital depended on state support and took a positive position towards the government's role in the economy, at least until the late 1960s.

The debate within the government and ruling party over economic policy was rooted in rival hegemonic projects as well as in different models of capitalism, models which had more or less congruency with these rival projects. The hegemony of the old "revolutionary nationalist" historic bloc had to be destroyed for the triumph of the neoliberal historical bloc. The top Mexican capitalists, in alliance with their foreign allies, moved to implement a neoliberal agenda of an export-oriented and open economy and a state that would eliminate the social wage while increasing its coercive power. But along with a different economic direction, the new power bloc – with powerful help from the private owners of the major media – promoted an economic-cultural model that sought to institutionalize a culture of possessive individualism and destroy the remnants of Mexico's communalist cultures that had been given a reprieve by the Mexican Revolution and subsequent decades of revolutionary nationalist hegemony.

Massive privatization destroyed the power base of key sectors of the state elite while creating great wealth and power for new and old sectors of capital. Some of the elites and bureaucrats of state enterprises were able to find soft landings by transferring their skills and energies to the private sector. Others experienced downward mobility. Some of the *charros* were able to keep control of their reduced membership and have sought to sell their services of labour control to the new private owners. But very few workers in the public transportation and industrial sectors have found soft landings. The massive elimination of public companies, the degradation of working conditions and the collective agreements at those companies that were privatized, the failure to produce new jobs in the regions where state enterprises had been located, have all contributed to the hard landing of most of the former workers in the state transportation

[1] The term "charro" refers to officials of state-linked, corrupt, undemocratic unions. While once an integral part of the ruling party in the one-party regime, they now can best be described as regime-linked, working with whichever of the two neoliberal parties are in power in particular states and nationally, and trying to manoeuvre within the rivalry between these parties to better leverage their bargaining power in terms of preserving their control of their unions.

and industrial sectors. It is the residues of this old historic bloc, both its elite members and its mass base, that continue to provide major support for the revival of the modernized "revolutionary nationalism" of Andrés Manuel López Obrador or for the return of the PRI to the presidency, wishfully hoping that it would mean the return of at least some aspects of the economic benefits of the old regime.

The New Regime: Bourgeois Domination without the Consolidation of a Hegemonic Historic Bloc

The increasingly direct political role of sections of business, mostly through the right-wing PAN (*Partido Acción Nacional* / National Action Party), led the PRI to seek to give business a more direct presence in the PRI and in the state apparatus. The PRI began to run business candidates against the PANs business candidates, more business people were recruited to work within the state, the more pro-business departments of the state gained power over the more traditionally nationalist departments of the state. The transformation of the state from a Bonapartist capitalist state towards more direct capitalist domination (as in the US and Canada, though still in the political form of a one-party regime) was well underway in the 1980s and would be intensified in the 1990s. In 2000, the first victory of an opposition presidential candidate, the former President of Coca-Cola Mexico, Vicente Fox of the PAN, over the ruling party's candidate was a milestone in the legitimation and triumph of the power of Big Business, albeit in the guise of a "democratic transition." President Fox (2000-2006) described his government as a "government of entrepreneurs, by entrepreneurs and for entrepreneurs" (La Prensa, Panama, 21 June 2001). This transition to electoral competitiveness at the presidential level was a defeat for the ruling party and opened up a new political scene of constrained party competition in Mexico. The very real electoral space and democratic dynamics that were opened up were subordinated to the dynamic of the rise of more direct capitalist rule and increased repression by the state and private forces. The concentration of wealth and power through privatization and other government policies intensified bourgeois domination and both constrained and hollowed out the processes of democratization. When the tendencies to democratization challenge the boundaries of capitalist power, democratization is sacrificed for "stability."

The corporate offensive was the main driving force in the neoliberal transformation of Mexico as it was in the US and Canada. But in Mexico the corporate power bloc had to change the political order and aspects of the

political culture in order to achieve its hegemonic aspirations and bring about its desired policy changes. It was joined in these goals by sections of the political elite who had moved away from Keynesian and statist ideas and by the influence and pressures from international actors promoting neoliberalism and free trade. The growth of the influence of neoliberal economics and its impact on Mexican government technocrats studying in the US as well as the leverage asserted by the IMF and US during various Mexican crisis moments was, of course, crucial in leading to the triumph of the neoliberal corporate offensive already underway in Mexico. But it is mistaken to see Mexico's turn to neoliberalism and free trade as simply a result of these external factors. This dependency explanation obscures the struggle for hegemony within the Mexican capitalist class and of that class over Mexican society. The structural and instrumental power of capital acting through its different fractions and varying combinations of exit and voice strategies (Hirschman 1970) at different times has been decisive. The restiveness of Mexican capital under Bonapartist capitalist development changed into hegemonic aspirations. The Mexican capitalist class had to transform the relationship between capital and the state in order to achieve its policy goals. As described above, the political elite that controlled the state had a great deal more autonomy than did the political elites of the US and Canada. The domestic bourgeoisie had much less structural or political power over state elites in Mexico. The interpenetration of the capitalist class with the state was much more limited in Mexico than in the rest of North America until recent decades. The ideology of the regime was "revolutionary nationalism," an ideology that posited the leading role of the state not only in economic development but also in maintaining an equilibrium between capital and labour. The big bourgeoisie was kept outside the official party in the one party state though labour and peasant organizations composed two of the three official sectors. The fractious ideological conflicts and differences in sectional-economic interests within the capitalist class were utilized as part of the government's strategy for keeping the Mexican bourgeoisie in its place in the economic sphere and outside politics. Business could not completely overcome its internal divisions over ideology, strategy and tactics or different policy interests (especially over trade and protection) but over time, a dominant if not completely ideologically hegemonic fraction developed, aided by government economic policies and favouritism in the process of privatization. But Big Business had also to fight for the legitimacy of business playing any political role whatsoever.

The eventual success of peak business leadership in achieving dominance within business and the state was made possible not only by their own efforts but by a variety of internal and international political and economic developments (Concheiro Bórquez 1996). The big bourgeoisie and sections of the state have succeeded in imposing a neoliberal model of development, an increasing fusion and open partnership of Big Business and the state, and the transformation of the role of the state from that of fostering some degree of equilibrium between capital and labour to fostering the complete domination of big business over labour.

While Big Business has been able to reshape the state and public policy, it has not achieved ideological hegemony over the overwhelming majority of the popular classes for two main reasons. First of all, Big Business and the rival political party elites have been unable to develop an electoral process that could legitimate the political regime. The unexpected emergence of a third electoral force, populist and nationalist, in the 1988 presidential election, in the candidacy of Cuauhtemoc Cárdenas through the National Democratic Front (FDN), later to become the PRD (*Partido de la Revolución Democrática* / Party of the Democratic Revolution), disrupted the hopes of the bourgeoisie and political elites for the establishment of electoral alternation between the right-wing business party, the PAN, and the old state-party, the PRI, now neoliberal. Cárdenas won the elections but the PRI fraudulently stole them leading to massive protests. And once again, in the presidential elections of 2006, the party of the right, the party of alternation, the PAN stole the presidential elections from Andres Manuel López Obrador and the PRD, again leading to massive protests and disruptions in Congress during the inauguration ceremonies. Though electoral hopes persist among broad sectors of the population, the frauds of 1988 and 2006, one by each of the major parties linger in popular memory. The smell of fraud that existed during one-party rule has now continued in the so-called "democratic transition." The corrupt, one-party authoritarian presidentialist regime has been replaced by a corrupt, multi-party authoritarian political system.

Secondly, the regime's neoliberal policies have been devastating to the lives of the popular classes as will be discussed in the next section. These neoliberal policies have produced wide-scale and persistent, albeit fragmented, resistance from social, community, and indigenous movements throughout Mexico. The struggles of the popular social movements have deepened and widened the awareness of the linkages between neoliberalism and the hollowed out "democratic transition." The "democratic transition" has come packaged with a devastating attack on

the lives of ordinary people. The combination of the continuing fraudulent electoral processes, the relentless devastation of living standards, and persistent popular protests have produced an increasingly militarized repressive state and sullen, but potentially explosive discontent.

The Neoliberal Offensive

Massive Privatization and Union Busting

In order to achieve this gigantic transfer of wealth from some hands to others, the Mexican oligarchy and the transnational power groups carried out diverse political and financial operations to destroy the formerly powerful public sector of the economy, a sector that controlled many of the strategic branches, at the same time subordinating workers in all the spaces in dispute. Mexico's privatization program was one of the largest in the world. The number of state-owned enterprises decreased from 1155 in 1982 to 210 in 2003. The most important and profitable enterprises were sold at bargain-basement prices to powerful Mexican capitalists and/or politically well-connected people. Some of the important companies that were privatized were the national telephone company (Telmex), the national airline (Mexicana de Aviación), a national TV network (Televisión Azteca), several major steel plants (Siderúrgica Lázaro Cárdenas and Altos Hornos de México), a major ship-builder (Astilleros Unidos de Veracruz), the national railway (Ferrocarriles Nacionales de México) and many other companies. Article 27 of the Constitution was amended in 1992 to facilitate the break-up of *ejidos (*communally owned rural lands) as well as to grant mining companies longer and more generous rights to subsoil wealth. The mineral rights were transferred mainly to three Mexican companies: Peñoles, de Alberto Bailleres; Grupo México, de Jorge y Germán Larrea; y Carso, de Carlos Slim (who also received Telmex and is now, according to Forbes, the richest man in the world) (López Obrador 2010, 21-34).

Each privatization process produced a major conflict with the workers. The privatizations in the mining-metallurgical sector have resulted in a chronic conflict between the leading companies and the miners' union, over the continuing validity of the collective agreement. In the transport sector, the privatization of the railways and of the airlines continues to produce vicious attacks against union dissidents. The most recent case, the privatization of the electricity sector was only possible through the destruction of the union with the deepest roots and most democratic tradition in the country, the Mexican power workers union (SME; Roman and Velasco 2009). Perhaps the only exception in which

privatization was not accompanied by a major conflict was in the case of Teléfonos de México, where the partnership approach of union and company allowed the union to "associate" itself in a dependent manner with the new owner, Carlos Slim.

The state policy of transferring public assets into private hands was accompanied by a fierce attempt to restore managerial control on the shop floor through various tactics from outsourcing, job flexibility and deregulation of labour relations on a constantly widening scale. The temporary or permanent closure of workplaces "contaminated" by trade union resistance, the dismantling of collective agreements, unilateral changes to labour law through case law issued by an increasingly conservative Supreme Court, and severe restrictions of the right to strike, the use of terror and intimidation to keep control in maquiladora cities of the North, have together and separately contributed to the cancellation of labour rights in many sectors of the economy, and even whole regions of the country, rights that Mexican workers had struggled to win in the ascendant phase of the Mexican Revolution.

The Attack on Wages

The consequences of neoliberalism for Mexican workers have been devastating. Real salaries have fallen dramatically from 1980 to 2010 in spite of great growth in productivity. The real value of the minimum wage declined by 70 percent from 1980 to 2010, the average of contracted wages in federal jurisdiction by over 50 percent, that of manufacturing by 20 percent. If we use pre-crisis (2007) figures, there's no change in the first two categories but average manufacturing wages had only fallen by 15 percent; they fell an additional 9 points between 2009 and 2010 (See table 1). According to official government sources, 44.2 percent of the population lived in poverty in 2008, over 47 million people (Consejo Nacional de Evaluación de la Política de Desarrollo Social n.d.). This figure has increased since the crisis of 2008 as jobs have been lost, more people forced into the lower-waged informal sector, and remittances from the US sharply reduced. The number of people in poverty in 2010 "had grown to 53 million, according to a study by the Monterrey Institute of Technology" (cited by Mexican Labour News and Analysis, January 2010).

We estimate that the share of the wages of production workers and nonsupervisory employees in the GDP declined from 35 percent in 1982 to 23 percent in 2009. This is consistent with the data on the evolution of the real minimum wage, of the average real contract wage among workers covered by federal jurisdiction and average wages in the manufacturing

industry, according to the statistics presented in the Fourth Government Report by the Federal Executive of Mexico (Poder Ejecutivo Federal 2010, 189; see Table 1).

Table 1
Evolution of Real Salaries in Mexico in the Period 1980 to 2010
(1980 equals 100 percent)

	Minimum Wage	Average Contractual Wage in Branches under Federal Jurisdiction	Average Wages in Manufacturing Industry
1980	100.00	100.00	100.00
1985	68.13	78.39	96.56
1990	49.30	63.63	78.39
1991	46.53	64.32	83.04
1992	41.85	62.37	90.13
1993	42.10	62.35	85.14
1994	41.66	61.37	88.64
1995	35.11	51.05	77.26
1996	36.05	45.97	69.92
1997	31.80	45.54	69.46
1998	34.56	46.24	71.47
1999	31.32	46.20	72.49
2000	31.51	47.43	76.81
2001	32.03	48.65	81.88
2002	32.06	49.01	83.41
2003	32.14	49.10	84.51
2004	31.44	48.84	84.70
2005	31.79	49.02	84.06
2006	31.52	49.25	84.73
2007	31.41	49.43	85.33
2008	30.23	49.04	86.43
2009	30.53	48.62	86.27
2010	30.32	46.83	79.50

Poder Ejecutivo Federal 2010.

We can get a better handle on the significance of this fall of the share of wages in the GDP of Mexico if we put it in comparative context in terms of the cost of living and real purchasing power parities in the economies of various countries. The relative level of wages in Mexico has been steadily declining in the last quarter century. The report by the Union Banks of Switzerland, *Price and Earnings around the Globe* (Union Banks of Switzerland 2009, 9) shows that wages in Mexico City are among the

lowest of the 60 most important cities in the world. In 2009, average wages in Mexico City were fifteen times lower than the New York City, eleven times lower than those of Chicago, eight times less than those of Montreal, four times less than Seoul, three times less than Sao Paulo and two times less than those of Santiago de Chile. This report shows that the view that the People's Republic of China has lower wages than Mexico is false. The salaries of Shanghai or Beijing were more than double that of Mexico City in 2009.

This situation has deteriorated further in recent decades. It was not just a result of the economic disasters of the eighties. Since 1994, the relative situation of wages in Mexico has deteriorated, even in the period of alleged fiscal responsibility and equilibrium. In 1994, according to the same report, *Price and Earnings around the Globe*, Mexican wages were much closer to the main cities of the world. Wages in New York and Chicago were just five times higher than Mexico City; those of Montreal were slightly more than four times that of Mexico City. In almost all cases the distance was half of what it is now. Wages in Seoul were only two times higher than Mexico City and those of Sao Paulo, Brazil were even below those of Mexico City. The problem of low wages is the central source of poverty in Mexico, as the official unemployment rate is only 6.2 percent. In Mexico, the vast majority of people are poor because they receive low wages, not because they're not working.

The Attack on Unions

There have been great ebbs and flows in union membership in Mexico over the last century in relation to the level of class struggle and the policies of the government. The Revolution produced powerful institutional mechanisms that gave great power to the government to facilitate or obstruct union formation. These powers, based on article 123 of the Constitution of 1917 and implemented in subsequent labour legislation allowed the government to declare strikes legitimate or illegitimate as well as to grant or deny union recognition. Unions had to walk a difficult tightrope between independence and currying the favour of the ruling party to survive. As unions, especially their leadership, became integrated into the ruling party when it was formed in the late 1930s, it provided them a means of influencing government labour policy and a powerful push towards becoming part of the state system of labour control. As the government's policies turned more to the right in the 1940s and beyond, union officialdom became a more and more privileged state-linked disciplining oligarchy over its own members. There have been and

continue to be bitter struggles between rank and file members and their official leaders, *charros,* over control of unions. Further, the decadence of this stratum of *charros* has extended to the sale of protection contracts and the creation of phantom unions, "unions" in name only, selling contracts to management to prevent the formation of real unions and often not even known to their own members. Further, many of the unions in the industrial region around Monterrey, Nuevo León, are white or company unions set up by the region's extremely right-wing capitalists to keep out real or *charro* unions. There are, then, two sets of "unions" that are not unions, the phantom and the white unions. *Charro* unions have a greater heterogeneity and their union-like character will vary by union and period, depending on rank and file pressures, political considerations of the *charro* leaderships, and relationship to management. Some engage in real bargaining for their members, others are completely in bed with management. This fictional and semi-fictional character of most Mexican unions makes it necessary to approach union density figures in Mexico with great caution.

Nevertheless, it's clear that there has been a real decline in union membership in the last decades, The Commission for Labour Cooperation of NAFTA has shown that the rate of unionization in Mexico declined by 25 percent from the end of the 1980s to 2003, when it became less than 15 percent (North American Agreement on Labour Cooperation (NAALC) 2003, 25). The crisis of the public sector and the reclassification of more and more workers as employees of confidence not eligible for union membership had a big impact on union membership. The recent recession has also taken a toll on union membership. According to the official statistics of the Commission for Labour Cooperation, scarcely 4 million workers out of an economically active population of 43 million are members of unions. If you were to peel away the completely fictional unions (phantom unions), those with protection contracts, the number of union members would be greatly reduced. It's estimated that at least 85 percent of Mexican workers have protection contracts, fake contracts signed by corrupt union officials to exclude genuine unions (Xelhuantzi López, *et al.* 2005, 151). Of the remaining 15 percent, most are members of *charro* unions, corrupt, authoritarian, quasi-corporatist, government-linked unions. Thus most of the working class has continued to lack organizations through which to build effective fight backs against the relentless neoliberal assault that has devastated living standards, workplace health and safety, and workers' rights in general.

The estimate of 15 percent is based on non-rural workers (private and public), excluding those in small familial artisanal shops. The rural

sector, which includes only 15 percent of the economically active population, only has a unionization rate of 4 percent. If we take into account the whole labour force of the country, including the proletarianized or semi-proletarianized rural sectors (including mini-producers and *ejidatarios*, who often also work as seasonal or day labourers within Mexico or the US), the rate of unionization decreases to 11 percent, which would give Mexico the lowest rate of unionization of the three NAFTA countries (INEGI 2009).

The principal consequence of the corporate offensive has been the extreme pauperization of workers and *campesinos*, with the exception of small segments that preserved some elements of economic well-being as is the case with the oil workers, the telephone workers, and until 2009, the power workers of the Light and Power Company of the Centre (Luz y Fuerza del Centro). In 2009, all 45,000 power workers were fired and the company liquidated. But for the immense majority of workers in Mexico, the profound deterioration of the purchasing power of wages is a significant and defining characteristic under the new capitalist despotism. In other parts of Latin America, the imposition of such a catastrophic salary decline was only possible through the use of the coercive force of military coups suffered by the region starting with the military coup in Brazil in 1964.

Unemployment

Neoliberal policies have completely failed to provide new formal sector jobs for Mexico's rapidly growing labour force. Mexico has only been creating about 12 percent of the new jobs needed for the 2 million young people entering the labour market each year. Only 2.2 million new jobs have been created in the formal sector of the Mexico economy between 2000 and 2010 while 20 million people have joined the labour market (IMSS 2010a). These figures would have to be modified by taking into account the opening up of already existing jobs through retirement. Nevertheless, the job deficit is enormous. Neoliberal policies, by opening the economy to cheap imports and removing subsidies, have caused a massive loss of sources of livelihood in those parts of the rural sector that produce for the domestic market. The same effects have been felt in industries oriented to the domestic market. But these losses have not been offset by the creation of new jobs. The lack of significant job creation coupled with the destruction of jobs and rural livelihoods has fuelled massive emigration from Mexico. Mexico is a gigantic factory for producing pauperized workers. Every day, approximately 6,000 young people enter a

labour market that creates only slightly more than 700 spaces daily. The tremendous number of undocumented young people who try to cross the border daily are only a small portion of the millions of dispossessed youth whose hopes for the future have been destroyed by the neoliberal project.

On the other hand, the informal sector, far from being a space of self-employed workers, marks a return to the most intense forms of exploitation within "small establishments": in 1995, the number of wage earners within the informal sector was 2.8 million and accounted for 32 percent of informal employment. By 2003, wage earners in the informal sector accounted for 4.3 million workers, 40 percent of those working in the underground economy, those companies that operate without any official registration. In the labour market as a whole, formal and informal, 27 million workers work in establishments of less than 11 workers. There are 600,000 "protection contracts" in this sector of small workplaces. Only three percent of the 27 million workers in small establishments are formally unionized (Xelhuantzi López, *et al.* 2005, 40).

The present crisis has had a devastating impact on this already vulnerable labour force, of which approximately two-thirds, or 32 million people, remain ensnared in the informal labour market, in a situation of desperation and hopelessness, and only one-third, 17 million, are part of the formal labour market. In reality, the number of people, that exist in the interstices of the economic life of the country, without even gaining a minimum wage (which, at present, is less than 60 pesos daily or less than $5 US daily), has reached ten million people.

There has been renewed job growth in the Mexican economy since the crisis of 2009 with an increase of 714,000 jobs in the formal sector from January 2009 to January 2011. However 64 percent of these new jobs are at the lowest end of the pay scale, between one and two minimum salaries (between $5 and $10 US daily) (IMSS 2010b). The transfer of jobs from the US and Canada has continued through the crisis but at rock-bottom wage levels. Government austerity since the crisis has focused on cutting subsidies to gas and hydro leading to price increases of 12 percent for gas and 15 percent for hydro in the last year. These price increases have contributed to the high general inflation of wage goods in Mexico.

Towards a Fightback: Mexico and the Struggle for Workers' Rights in North America

The Mexican bourgeoisie has succeeded in defeating and dismantling the economic and political basis of power of the old party-state elites. They have also succeeded in imposing decades of austerity on the Mexican

people. But they have not been able to consolidate a solid historical bloc, a system in which competition and conflict could be contained by a hegemonic consensus among the key political and economic elites. As well, the concurrent neoliberal assault on the mass of the population has combined with the on-going corruption and electoral fraud to undermine attempts at legitimating the new regime to the mass of the population. Mexico's organic crisis, simmering in the last decades of the old regime, has come close to boiling over several times in the post-old regime period (since 2000) as in the anti-electoral fraud protests of 2006 and in the Oaxaca uprising that same year (Roman and Velasco 2008).

The struggle of Mexican workers is taking place in this context of an organic crisis, growing militarization and repression, the continuation of the neoliberal assault on popular rights and wellbeing, and a likely prolonged economic recession. It is not taking place in a context of a democratic regime or an actual democratic transition. Though Mexico's "democratic transition" was fuelled by the democratic aspirations of the middle classes, working class, and popular sectors, it has been largely captured by the bourgeoisie seeking more direct control of the Mexican state. The vast majority of the population has experienced the "democratic transition" with great disappointment, though many still hope to push it back on a democratic path. But they face political and economic elites who, in spite of their conflicts, are willing to use ruthless repression against any popular challenges to their power and privilege.

The working class movement is at a nadir of resistance. The on-going state repression of unions (the defeat and dismantling of the SME, the relentless assault on the miners' union) and of popular movements (Atenco, Oaxaca, the permanent war of attrition against the Zapatistas), the continuing state-facilitated thuggery of the officials of major unions against their own members (the national teachers union is a leading example), the job losses of Mexican workers on both sides of the border, and the absence of a direction of struggle that seems promising, have all contributed to a demoralization of the working class generally and of working class militants. People are scrambling to survive without the existence of obvious collective ways of fighting back.

Nevertheless there are significant factors that point to the possibility of a revival, sooner rather than later, of a fight back on the part of the working class. Mexico's popular revolutionary tradition lives on in both working class and in peasant and indigenous communities. As well, the communalist traditions of Mexico's peasants and indigenous peoples have migrated along with these peasants and indigenous peoples in their

decades of proletarianization and urbanization. These traditions survive in urban as well as rural areas (which now contain less than 25 percent of the population).

If these powerful and widely spread residues of revolutionary tradition and communalist sensibility have a wide presence in the popular classes, the relentless character of Mexico's neoliberal capitalist offensive will increasingly compel people to seek collective solutions. The hopes for better jobs, more rights, and a more civil country raised by the decades of struggle for a democratic transition, by the false promises of NAFTA making Mexico a first-world country, by the replacement of the one-party regime in the presidential elections of 2000, have been demolished by the realities of the relentless neoliberal assault and the new austerity being imposed on the popular classes by the regime. A large majority of Mexico's population lives in extreme poverty; many are being pushed over the edge of survival by the recent crisis which, in Mexico, has been combined with rising food and utility prices. The US economic crisis has both closed the safety valve of the US labour market for "surplus" Mexican workers and dramatically reduced remittances to Mexico, a key source of survival for many families and communities. There are no indications of an economic revival on the horizon as Mexico's dependence on the US economy guarantees that Mexico's recovery will be as slow as that of the US. The government of Mexico is carrying out austerity programs that will both make life harsher for workers and the poor and make a recovery more difficult.

The new Mexican workers' movement cannot develop on the basis of trade unionism alone. Workers will continue to face severe and brutal repression by the state, private capital, and *charros*. The new movement will have to challenge the very framework and institutions of repression. Union and workers' rights can only achieve any durability in a transformed institutional framework. The fight for reformist goals and democratic demands (right of association, civil liberties, etc.) have to be blended with strategies in which workers prepare themselves ideologically and organizationally for a transformational struggle.

The struggle of Mexican workers has powerful continental dimensions. Mexico is part of NAFTA along with its two northern neighbours. US and Canadian companies, especially auto and auto parts, have major investments in Mexico. And the Mexican working class has a powerful presence in the US labour force. Around one-fifth of the Mexican working class works in the US and Mexicans make up the largest segment of the immigrant section of the US working class. This means that events in

the Mexican class struggle will resound powerfully in the US (with echoes in Canada).

Worker's insurgency in Mexico will immediately trigger hostile responses from US and Canadian capital as well as their governments. Mexican workers will need solidarity from the North to oppose open or disguised military intervention, an intervention whose foundations have been set already with Plan Mexico (security and military cooperation agreement between the US and Mexico). But beyond this essential anti-interventionist solidarity, there needs to develop a strategy of common struggles over related though not identical demands around social justice, workers' rights, and genuine democracy.

Continental integration of North America, especially through NAFTA, has afforded US and Canadian, as well as Mexican, capital powerful levers for downward pressures on the whole North American working class, including the Mexican. But it has also added an explosive ingredient to the North American panorama of class struggle: a young, super-exploited working class with old revolutionary and communalist traditions in a ruthless regime in deep and multiple crises. When Mexico's working class jaguar rises, the roar will resonate deep into the North.

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

Austerity and its Aftermath
Neoliberalism and Labour in Argentina

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Abstract

The crisis Argentina faced in the late 1980s legitimized a diagnosis that linked the country's poor economic performance to an inward-looking economy, excessive fiscal spending, unwarranted state regulations, a misguided set of incentives that failed to boost competitiveness and the "economic populism" that privileged political goals over economic efficiency. Alternatively, the solution was sought in policies that privileged deregulation, the free flow of commodities and capital, privatization and a selective intervention of the state in the economy. In this article we will account for the shape of neoliberal restructuring in Argentina by drawing attention to the heavy costs stabilization imposed on the country as the decade progressed. We will emphasize the costs the workers were called on to bear and the responses that emerged from them to challenge neoliberalism.

Résumé

La crise qui a frappé l'Argentine à la fin des années 1980 a justifié un diagnostic qui liait la faible performance économique à plusieurs facteurs : le caractère endogène de son économie, les dépenses excessives de l'État, les réglementations mal avisées, les stimulants mal ciblés qui ne sont pas parvenus à soutenir la compétitivité et le « populisme économique » qui privilégiait les finalités politiques plutôt que l'efficacité économique. En réponse à ce diagnostic, les solutions privilégiées visaient la déréglementation, la libre circulation des marchandises et du capital, les privatisations et l'intervention ciblée de l'État dans l'économie. Cet article présente la configuration des réformes néolibérales en Argentine en insistant sur les coûts élevés que la stabilisation a entraînés au cours de la décennie. Nous soulignons l'importance du

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fardeau imposé aux travailleurs et travailleuses ainsi que leurs réactions pour contrer le néolibéralisme.

Keywords
Argentina; labour reform; labour organizations; neoliberal restructuring; post-neoliberalism

Mots-clés
Argentine; organisation des travailleurs; postnéolibéralisme; réforme néolibérale; réforme du travail

During the 1990s, Argentina underwent a process of structural adjustment with unique characteristics in terms of both its intensity and its scope. Reforms gained momentum after the implementation of a stabilization plan that rapidly tempered rates of inflation that were exorbitant even for a country that had been experiencing constant price spikes of notorious intensity since at least the 1960s. These reforms encompassed the essential ingredients of what we have come to refer to as neoliberalism. In particular, throughout the decade, there was an unremitting tendency to position fiscal austerity, the reform of state institutions and the further flexibilization of labour markets as essential variables for addressing the obstacles to economic growth that increasingly tarnished the original success of stabilization in reactivating a seriously troubled economy. Specifically, it became a priority—as it had repeatedly in the past—to debilitate a labour movement with the organizational power to jeopardize the restructuring plans of the government. Another priority was, most certainly, to produce the reduction in labour costs required to make the entire package of reforms viable.

In this article, we will account for the shape that neoliberal restructuring acquired in Argentina by drawing attention to the steep costs that stability entailed for the country as the decade progressed. We will place particular emphasis on the costs that workers were called upon to bear, as well as the responses that—despite the difficulties normally entailed in organizing an increasingly heterogeneous working class—emerged in their challenge to neoliberalism.

Hyperinflation and Neoliberal Reforms

The 1980s was the decade of the transition to democracy and the failed attempt to reverse the effects of the orthodox economic policies of the previous dictatorship. The government of Raúl Alfonsín (1983-1989)

centred its economic policies on resuming growth by implementing traditional Keynesian policies, stabilizing the economy and overcoming the debt crisis in a sustainable manner. However, the government failed on most counts, and by 1988, its decision to postpone debt servicing created the conditions for a speculative run against the Argentinian currency led by creditor banks and a hyperinflationary episode in 1989 (Azpiazu, Basualdo, and Notcheff 1998, 18). This episode has been defined as an economic "coup d'état," as it generated an extreme exacerbation of distributive conflicts where the big winners were the most concentrated capitalist fractions.

The scope of the crisis at that time was also a crucial element in cementing the consensus about the exhaustion of the import substitution strategy and Keynesian macroeconomic policies and, especially, about the need to reform the state. As it happened elsewhere, the "natural" solution was to downsize the state, to open the borders for trade and finance, to eliminate unnecessary regulations that purportedly distorted the operation of markets and to strengthen the rule of law and the institutional arrangements in order to create a favourable climate for investments. The need to leave extreme instability behind also legitimized the costs and sacrifices associated with these reforms and, to some extent, explain the swift pace and radical nature of reforms in the country.

State indebtedness—one of the problems that both triggered and justified reforms—paradoxically became a characteristic feature of the period, as reforms gradually created the conditions and the increasing need for the state to borrow in international financial markets. In turn, mounting sovereign debt created conditions for specific forms of subordinating the domestic economy, public policy and the institutional structure of the state to the vagaries of capital flight and to the monitoring and conditionality of credit rating agencies and the international financial institutions (IFIs). This subordination has produced changes in the working of the state, the distribution of wealth and the balances of power between capital and labour that have largely transcended the juncture in which these policies were implemented.

When the negative effects of the reforms themselves became evident, the threat of a return of hyperinflation justified further structural reforms, fiscal adjustment, and the reduction of the so-called "Argentinian cost" (mainly, the cost of the labour force). Moreover, the poor performance of the Argentinian economy during most of the 1990s, its vulnerability to international financial crises and the critical loss of confidence on the part of portfolio investors during the second half of the

decade were attributed to the persistence of illiberal enclaves and the deceleration of reforms. Thus, the need to protect what had been achieved and move forward with the elimination of still existing obstacles to restructuring took precedence over the increasing costs that reforms were palpably inflicting on workers and other social groups. Recession, falling tax collection and higher country risk premiums on sovereign borrowing were strong incentives for deepening fiscal austerity, while growing unemployment and the falling competitiveness of domestic production justified declining wages and labour flexibilization. As the explosive economic, political and social crisis of 2001 made painfully evident, reforms failed to deliver sustainable growth with increased social welfare as promised by their defenders. But the reformist strategy was effective in creating numerous spaces for accumulation, altering the power of social actors to place their demands on the state and tightening the links between the domestic economy and global finance.

The Virtuous Stage of Neoliberal Reforms

In July 1989, amidst a 200 percent monthly rate of inflation, President Carlos Menem (1989-1999) came to power announcing a drastic fiscal adjustment and an ambitious reform of the state and the economy heralded as the only alternative in order to leave instability and stagnation definitively behind, solve the debt crisis, attract investments and, ultimately, foster growth and welfare. This state reform consisted of the privatization of public assets, a major bureaucratic downsizing and the liberalization of the economy. Reforms created favourable conditions for renegotiating the defaulted sovereign debt and attracted foreign direct and portfolio investments that would be central for the sustainability of the macroeconomic stabilization program imposed in 1991.

In April 1991, economic authorities announced the implementation of a currency peg. The so-called Convertibility Program consisted of a legislated fixed exchange rate of 10,000 *australes* per US dollar.[1] Full backing in US dollars, gold, or dollar-nominated bonds was required for circulating *australes*, and the US dollar was established as legal tender. Price indexation—a practice that had become habitual in economic transactions—was prohibited, and wage increases were made conditional upon productivity gains. This way, the creation of money became subordinated to capital inflows or, what is the same, money was

[1] In 1992, the peso replaced the austral. The peso stood at 1 US dollar throughout the decade of Convertibility.

transformed into an exogenous variable beyond the control of domestic monetary authorities (Schvarzer 1998). The underlying assumption behind the measure was that monetary and fiscal indiscipline were a main cause of instability. Thus, by limiting the possibility of increasing the monetary supply, the state would be forced to eliminate its deficit. It would also be forced to carry out policies that strengthened investor confidence in order to regain access to voluntary credit. The Convertibility Plan was accompanied by tariff reduction, the deregulation of many economic activities, the elimination of restrictions on foreign investments, the expansion of the number of state assets to be privatized and the reform of the Charter of the Central Bank.[2] Several bills were sent to Congress to modify the tax structure and tax management, including tax increases and strategies to improve tax collection and fight evasion. Convertibility succeeded in stabilizing the economy and creating conditions for a period of growth.[3] This original success was pivotal in strengthening the legitimacy of neoliberal reforms and creating the conditions for a "triumphalism" that overshadowed any consideration of either the effects on workers or the number of enduring macroeconomic, fiscal and external imbalances.

Interestingly, the celebration of the role of reforms in definitively solving the crisis coexisted with arguments about the persistence of threats to stability. An ever-fragile stabilization justified further fiscal adjustment and made its social costs inescapable. Hence, the poor performance of the labour market and the need to raise the international competitiveness of the domestic economy justified a series of changes in labour regulations whose purpose was to "flexibilize" labour markets and reduce labour costs.

In 1993, Argentina joined the Brady Plan to restructure the public debt. Through it, the principal of the debt and part of the outstanding interests were securitized with zero coupon bonds from the US Treasury acquired with funds lent by the IFIs (Fernández *et al*. 2007, 15). The Brady

[2] The reform eliminated the Central Bank's function of lender-of-last resort and further restricted its role as regulator of monetary supply. These restrictions were later "flexibilized" to give the Central Bank instruments to assist private banks with the purpose of controlling the disruptive effects of the Tequila crisis (see below) on the domestic financial system.

[3] Inflation fell from a monthly 27 percent in February 1991 to 11 percent in March and 5.5 percent in April. With some exceptions, the CPI continued to fall during the rest of the decade (INDEC, n.d.-b). After falling 2.5 percent in 1990, the GDP grew 9.1 percent in 1991, 7.9 percent in 1992 and 8.2 percent in 1993. Growth decelerated in the following years (INDEC, n.d.-c).

agreement did not provide significant debt relief but had positive effects on banks' portfolios, as they were able to transform defaulted credits, including past interest, into new debt bonds (Damill *et al*. 2005, 42). It also signalled Argentina's comeback to international capital markets and was the starting point of a new cycle of state indebtedness that took the public debt to unprecedented levels (Gambina 2003, 5-8). In the following years, borrowing would be a main element for financing the activity of the state and offsetting the growing current account deficit. As the devaluation of the peso was precluded by law, the government's efforts to boost the competitiveness of domestic production and to soothe the demands of domestic industrial corporations and exporters negatively affected by external competition were concentrated on reducing taxes and labour costs. This was in addition to dismissals associated with the process of privatization of public sector companies, successive rounds of fiscal adjustment and a freeze on wages that reduced workers' incomes and the disciplinary effects of growing unemployment. The outcome was a momentous increase in unemployment as well as social turmoil.

In summary, the period of stabilization and expansion was not characterized by the creation of employment. Neither was it a period of sustained improvements in workers' incomes (Baer *et al*. 2002, 67-69; Frenkel 2002, 45-46). However, poverty dropped, and wage earners and other groups especially vulnerable to the effects of inflation were benefited by stability and by the expansion of credit. The latter improved the purchasing power of some groups of formal workers and middle-income sectors, thus reinforcing the legitimacy of the program and increasing the obstacles to any changes in the exchange regime that would eventually affect debtors that had borrowed in dollars. Convertibility put an end to long-term forms of distributive conflict that had been at the root of high inflation. Ultimately, the commitment to maintaining the fixed exchange rate in a context of trade and financial openness prevented the state from regulating the effects of international financial turmoil and improving the international competitiveness of domestic production.

From Boom to Crisis

Until early 1994, capital inflows favoured the accumulation of foreign reserves, the expansion of credit, economic growth and consumption. The situation took a turn for the worse in February 1994, when the rise of international interest rates reduced capital inflows to emerging markets. The gradual overvaluation of the domestic currency and the growing trade deficit that resulted from the stabilization program made Argentina

extremely vulnerable to the change in the international financial climate (Damill *et al*. 2002, 10). The domestic economy was severely hit by the "Tequila crisis", which reversed capital flows and forced a drastic reduction in money supply to offset the losses of the Central Bank's reserves. Credit fell, and the economy entered into a recessive period in which unemployment and poverty grew (Baer *et al*. 2002, 75). A bailout of the domestic banking system organized by the Central Bank, along with IMF assistance and a drastic fiscal adjustment, succeeded in stopping massive capital outflows and preventing the breakdown of the currency peg. The crisis also triggered a new round of reforms, in particular, a banking restructuring aimed to eliminate weaker local banks and promote the concentration and transnationalization of the system, the reform of provincial states to streamline provincial budgets and the transformation of public education and health care systems with the objectives of rationalizing spending and modernizing them with managerial technocratic criteria (Felder 2009, 62).[4]

After the Tequila crisis, the state regained access to credit, creating the conditions for an economic recovery. Similarly, state borrowing helped to overcome the effects of the South Asian crisis in 1997. But the impact of the Russian crisis was extremely severe and, in the context of the currency peg, irreversible. The country risk premium rose to unprecedented levels, capital inflows fell dramatically, and the economy (especially the banking system) became increasingly dollarized (Damill *et al*. 2002, 10-11). The rise of the country risk premium increased the cost of borrowing and, with it, fiscal hardship. As evidence of its commitment to servicing its international obligations and regaining investor confidence, the state deepened its drive to reduce public spending and implement additional structural reforms.

However, fiscal discipline failed to reverse recession or to regain fiscal balance. The Brazilian crisis and devaluation of 1999 exacerbated both the existing recession and fiscal hardship, as it restricted access to the main market for Argentinian exports and aggravated the overvaluation of the domestic currency (Baer *et al*. 2002, 74-75). In this context of deflation, growing unemployment and poverty, the efforts of the government were aimed at demonstrating its will to meet the state's financial commitments

[4] In general terms, all these reforms failed to attain their stated goals. A more transnationalized banking system fell short to prevent the financial crisis of 2001, provinces were increasingly unable to deal with growing social demands and falling resources and the performance of the public schools and hospitals fell to unprecedented levels.

by means of further fiscal adjustment, institutional reforms and repression and control of social protests combined with selective clientelistic hand-outs. But the combination of poor economic performance, generalized social discontent and widespread government corruption led to the electoral defeat of the party in power and the coming to power of Fernando de la Rúa (1999-2001), the candidate of the Alliance for Work, Education and Justice (*Alianza por el Trabajo, la Educación y la Justicia)*.

Hyperdeflation and the End of Convertibility

When de la Rúa took power, recession seemed hard to reverse; debt servicing demanded a growing share of falling state revenues and the country risk premium was growing geometrically. Consequently, doubts about the ability of the country to meet its financial commitments mushroomed. The government responded by announcing a new fiscal adjustment plan that included a cut in public employees' nominal wages, the elimination and merging of state agencies, a rise in the VAT (Value Added Tax), the postponement of public works and the elimination of several social assistance programs, among other savings. The adjustment was justified on the grounds that international trustworthiness would help to reduce the country risk premium and attract capital inflows, leading to economic recovery and, with it, improved tax collection. In addition, the government attempted to counteract the effects of the currency overvaluation on the competitiveness of domestic production by deepening labour market flexibility and reducing payroll taxes. Predictably, the draconian fiscal adjustment aggravated the already serious recession and affected tax collection. The fall in state revenues further increased the country risk premium, forcing the government to pay extraordinarily high interest rates to roll over the public debt and intensifying doubts about the ability of the state to service it (Damill *et al*. 2002, 12). Facing a "crisis of confidence", in December 2000 the government obtained a preventive loan, administrated by the IMF and contributed to by the Fund itself, the World Bank, the Inter-American Development Bank and the Spanish state, as well as some international private banks. Even though the loan was presented as an instrument for boosting economic activity, in a manner congruent with the IMF's policy priorities, the intention was actually to protect creditors against a probable default. The *quid pro quo* was the commitment to introducing additional budgetary reductions and modifying the retirement and healthcare systems in order to reduce future state contributions and expand the room for private capital accumulation within them.

As the recession continued, tax collection did not improve, and the government failed to meet the commitments included in its agreement with the IMF, which led the institution to cancel the release of funds. In March 2001, a plan to impose a drastic fiscal cut that would especially affect public education was blocked by massive social protests. Soon after, Congress passed a bill that granted the economy minister extraordinary powers to reduce the fiscal deficit, but which, nonetheless, failed to restore lenders' confidence. Instead, the recessive effects of state austerity and its effects on tax collection enhanced doubts about the ability of the country to meet its financial commitments, thus increasing the country risk premium.

In order to alleviate the burden of debt servicing, in March 2001 the government implemented an exchange of existing sovereign debt bonds for new bonds with longer maturity and higher interest rates. The bond exchange and the new fiscal adjustment proposal helped to unlock IMF lending. However, they did not have any significant effect on the country risk premium, nor did they stop capital flight.

As the crisis worsened, the government renewed its commitment to maintaining Convertibility and prioritizing the financial commitments of the state over any other goal. In July 2001, the government announced a "zero-deficit" policy, making state spending other than debt servicing conditional upon the availability of fiscal resources. Nominal public sector wages and retirement pensions were immediately reduced by 13 percent, and plans were made for further reductions in the future. This new fiscal adjustment also failed to solve the financial hardship of the state, but it fuelled social anger and resistance to austerity, destroying the already thin legitimacy of the government (Felder 2007).

The failure of a new attempt to restructure the sovereign debt in October 2001 accelerated capital flight. After international institutional investors and banks had left the country, the IMF lost its interest in protecting the Argentinian economy, blocking its disbursements and pushing for a default, a restructuring of the public debt, a devaluation and a deepening of fiscal adjustment and structural reforms. However, prominent members of the Argentinian government were more inclined to dollarize the economy (as a way to eliminating exchange risk). As the dollarization was unfeasible, a desperate attempt to maintain the peg was made in December 2001. Responding to massive withdrawals of bank savings, the government imposed restrictions preventing bank customers from withdrawing their savings, the so-called "*corralito*". The *corralito* transformed the recession into a paralysis and social anger into a revolt that forced de la Rúa's resignation. During the following weeks, the country

defaulted on part of its sovereign debt and devalued the currency. The devaluation required a revision of the legal and institutional framework that had ruled the economy during the 1990s and triggered fierce struggles around the distribution of the costs of the crisis and the orientation of the recovery.

After the devaluation, inflation re-emerged in a deeply recessive context. Attempts to follow the IMF's recommendations to deepen fiscal discipline and further liberalize the economy met massive social resistance and aggravated the existing economic instability and recession. The economic situation started to change in mid-2002, when—disregarding IMF requirements—the economic authorities made the decision to intervene in the exchange market and to regulate capital movements in order to control the devaluation of the currency. The subsequent stabilization and a more competitive exchange rate created the conditions for an economic recovery.

A process of political "normalization" that included a call for presidential elections and a gradual decline of social mobilization accompanied the economic recovery. In April 2003, Néstor Kirchner (2003-2007), then governor of a province in southern Argentina, won the election. Given the recognition of the political impossibility of solving the crisis with traditional neoliberal instruments, Kirchner's policies have been interpreted by many analysts as a signal of the end of neoliberalism. Nonetheless, the depth of the transformation that neoliberalism brought to the country has proven difficult to change.

Working under Neoliberalism: Reshaping the Meaning of Work

As we have suggested above, the program of structural reforms in Argentina under the aegis of a fixed exchange-rate regime created a very particular set of economic circumstances, with deleterious consequences for workers. One key variable in the determination of this problem was the performance of the industrial sector. Immediately after the stabilization, domestic industry underwent a process of expansion and rationalization. Investments in new technologies combined with the reorganization of labour processes and changes in labour regulations resulted in accelerated growth, with higher labour productivity and a reduction in the number of jobs per unit (Frenkel 2002, 46). Gradually, the appreciation of the domestic currency in combination with trade liberalization forced a large number of firms out of the market. Those who survived the competition from artificially low-priced imports did so by replacing an increasingly expensive labour force with capital equipment that overvaluation had

made cheaper to acquire (Chitarroni and Cimillo 2007, 7). Both trends—the elimination of less competitive firms and growing investment in labour-saving technology—resulted in rising levels of unemployment. As we have mentioned above, the privatization of state companies became another source of labour displacement. The negative performance of employment was also related to the changing structure of exports. The production of these exports was intensive in the use of primary resources and capital and thus could not provide a dynamic alternative for the absorption of workers displaced from other economic activities undergoing major restructuring during the 1990s (Nochteff 1998, 32).

The nature of economic growth and decline during the 1990s was, then, a critical variable in the radical transformation of labour markets in Argentina. The following statistics provide a good indication of the devastating results of neoliberalism. Unemployment increased from 6 percent in 1991 to 18.3 percent in 2001, with underemployment affecting an additional 16.3 percent of workers. In 2000, the number of precarious jobs—that is, work that does not provide healthcare, social security, paid vacations or other forms of protection— increased to 40 percent, from 26.7 percent in 1990. These figures only worsened after the meltdown in December 2001 and early 2002. Thus, by May 2002, the percentage of unemployment had risen to 21.5 percent and underemployment to 18.6 percent. Figures for poverty and indigence levels reached their all-time historical high in modern Argentina in May 2002, when 53 percent of the population was living below the poverty line, and 24.8 percent was living below the indigence line (INDEC n.d.-a). Structural changes and their impact on labour markets were also reflected in the distribution of income: while in 1974 the poorest decile of the population received 4 percent of the national income, by 2003 the figure was only 1.9 percent. In contrast, the richest 10 percent of the population saw its share of national income soar from 21.2 to 31.7 percent over the same period. Moreover, it is important to note that while poverty levels were closely related to the growth of unemployment and precariousness, it is also evident that work itself was not sufficient to provide for the satisfaction of basic needs.

Worsening social conditions and the increasing pressure of social mobilization prompted the government to find mechanisms to address the demands of the sectors most affected by the employment crisis. As a general pattern, though, programs implemented to provide some relief did not become effective means for sheltering people from the devastating consequences of neoliberalism. Following the prescriptions of the World Bank and the IMF, these programs targeted a very specific and small

portion of the population. Thus, for example, the most important employment program during this period, *Plan Trabajar*, only reached 150,000 beneficiaries, although unemployment affected approximately 5 million people at the time (Ogando 2004). It was only after the momentous social upheaval and political crisis of 2001-2002 that the new Program for Unemployed Heads of Family (*Programa Jefes y Jefas de Hogares Desocupados*), with a much broader scope, was implemented. This program reached 2 million beneficiaries across the country by the end of 2002, but it did not overcome the limitations of previous social programs with respect to the extremely low level of benefits it provided. Moreover, it did not provide healthcare or social security coverage either. In a similar vein, in the early 1990s the government instituted an unemployment insurance program. However, by 1999 only 7 percent of unemployed workers qualified to receive the very low benefits the program offered (CELS 2003, 16). In short, there was no escape from the poverty that neoliberalism had imposed on a very large segment of the population. Under these conditions, workers did not have many options other than accepting the precarious conditions employers were increasingly able to impose. Either because the government succeeded in passing labour legislation that regularized forms of precarious employment, or because of the high levels of unemployment and underemployment, workers were forced to accept jobs that did not offer any kind of protection under the law or provide access to the existing social security system. Growing informality, precariousness, unemployment and the widening income differential between workers experiencing these kinds of irregular work and those able to retain formal employment were all key in determining the growing heterogeneity of the working class.

Nothing Would Be the Same: Workers and Labour Reform During the 1990s

The policies put forth by the Peronist administration of Carlos Menem came to the surprise of many who had understood his victory as a key step in a return to the party's more traditional concern with redistributive issues. The new scenario in the 1990s presented the powerful, mainly Peronist Confederation of Labour (CGT, *Confederación General del Trabajo*) with political demands and challenges to which it was only partially equipped to respond. First, the key role of the CGT within Peronism and its party (the Justicialist Party), in effect since the consolidation of Peronism as the central political force in Argentina in the mid-1940s, had been in decline since the 1980s. Menem's first measures in government, and in particular his labour reform initiatives, were indeed clear manifestations of

organized labour's deteriorating position within the party (Gutierrez 2001).

Nonetheless, even under less than optimal conditions, the CGT was still a force with considerable resources at its disposal. Specifically, through its representatives and allies in Congress, it was able to block legislation or modify bills unacceptable to labour leaders in their original form. Moreover, it was the ability to reach consensus with the CGT-affiliated members of Congress that made the sanctioning of key labour reform bills possible (Etchemendy and Palermo 1998, 376). Its willingness to negotiate with a government it considered its ally did not prevent the CGT from using more pressure when it deemed it necessary. Thus, after 1996 the CGT called a number of general strikes, particularly when it became concerned that the reforms were threatening areas it considered fundamental to its institutional integrity, or when it wanted to secure its place in the negotiation of labour reforms. In general, though, its intervention was ineffectual in preventing successive reforms that legalized various forms of precarious employment and that undermined a number of key labour rights. These reforms affected labour costs in very concrete and direct ways and thus became increasingly important as the national currency became overvalued during the 1990s and pressure to reduce production costs mounted. Particularly significant in this area were reforms aimed at reducing the contractual obligations of employers, thereby facilitating both the creation of a more flexible labour force by reducing the costs of hiring and firing workers as well as the use of temporary and part-time workers. These conditions also curtailed the right to strike and made wage increases subject to sectoral improvements in productivity.[5]

Menem also introduced legislation to change the regulation of collective agreements in order to make plant-level negotiations possible. While the change was eventually reverted with new legislation introduced in 1998, in practice, unions agreed to negotiate at the plant level, in many cases accepting reductions in wages or the deterioration of general working conditions (Salvia *et al*. 2000, 62). The government also attempted to undermine the monopoly that unions had exercised on the provision of health and welfare services by allowing private competition in the area.

[5] The prohibition on granting wage increases not related to productivity gains was a pivotal aspect of the legal framework of Convertibility, aimed at eliminating price indexation (Bissio, Battistini, and Montes Cató 1999). The result was a virtual absence of wage bargaining during the decade.

However, this was precisely where the CGT drew the line on what it was willing to accept, and thus reforms in these areas did not prosper during the Menem administration.

Responding to Neoliberalism

The support the CGT extended to many of Menem's reforms and the ineffective opposition it presented to changes that undermined several of the rights that workers in Argentina had accumulated over 50 years of struggle put the CGT in a particularly weak position. The CGT also faced a new scenario in terms of its unity and its effective hold on its monopoly on representation in the labour movement. The CGT had faced problems of internal division several times before in its history, as well as challenges from strong oppositional movements within its rank-and-file. However, in the 1990s, the leadership of the CGT was forced to address these challenges under conditions that increased its vulnerability: its diminished political clout within the party and the increasing heterogeneity of the working class. Under the weight of the circumstances, the CGT split in two from 1989 to 1991. The leaders of the sectors that remained closer to the government benefitted in significant ways from the various perks associated with their relationship.

An important faction of the CGT representing unions in sectors that had been less affected by the economic transformation during the 1990s (in particular, services and transportation) presented a much more open opposition to reforms. The leader of this faction, Hugo Moyano, became a vocal critic of the reforms that Menem introduced. Moyano would later succeed in becoming the leader of the re-unified CGT in 2004, which once again became a key interlocutor of the state under the Kirchner administration.

By 1992, a group originally composed mostly of public-sector unions split from the CGT and constituted itself as an independent organization that later became the Central of Argentine Workers (CTA, *Central de Trabajadores de la Argentina*). This organization's strategic effort to organize the increasingly heterogeneous working class represented a new and vital experience for the labour movement in Argentina. The CTA played a fundamental role in this respect, and while its trajectory after the 2001 crisis has been marked by tensions and internal conflicts, its decisive participation in the 1990s set a very valuable example of more progressive and innovative forms of unionism. An important factor in the CTA's success was the incorporation of a sector of unemployed workers, the Federation of Land, Housing and Habitat (FTV, *Federación de*

Tierra, Vivienda y Hábitat), under the leadership of Luis D'Elia. The FTV was but one of the many organizations of the unemployed that emerged during the 1990s as alternative forms of organizing the growing mass of workers who faced unemployment and who had been most negatively affected by changes in the labour market. The *piquetero* movement, as it became known, was and remains a very heterogeneous movement, representing organizations with diverse political backgrounds and organizational strategies (Svampa and Pereyra 2003).

While the sum of the conditions outlined above—growing instability in labour markets, increasing poverty, weakness in workers' organizations—pointed to a juncture hardly conducive to the effective defence of labour rights, in fact workers presented a major challenge to the policies of the Menem administration. Interestingly, resistance to neoliberalism was articulated through the emergence of new actors, in particular the CTA and the *piquetero* movement. It is, then, toward these organizations that we would like to focus our attention.

Workers' Struggles and the Collapse of Convertibility

In its original form, the CTA brought together large unions within the public sector, in particular the Association of Public Workers (ATE, *Asociación de Trabajadores del Estado*) and the Central of Education Workers (CTERA, *Confederación de Trabajadores de la Educación de la República Argentina*). During the 1990s, the CTA grew to encompass other unions in different sectors of the economy, but its most important area of expansion was in sectors outside the traditional sphere of union affiliation, in particular the unemployed and also the precariously employed. Part of its growing strength during this period was related to its practice of individual forms of affiliation, as opposed to the traditional model based on the representation of constituted unions.

The CTA was effective in attracting a very wide range of workers, including the unemployed, underemployed, self-employed, retirees, workers in worker-run enterprises, and those employed in the formal sector. Almost paradoxically, the influence the CTA achieved until 2001 was undermined by the political events of the post-Convertibility period and the unfolding of a new phase in workers' struggles under conditions of rapid and sustained economic growth.

Nonetheless, during the 1990s, organizations like the CTA were instrumental in facilitating the lines of communication among various sectors within the working class. The CTA represented, in this respect, a major anti-neoliberal effort to bring together a range of demands from

sectors affected in particular ways by the process of restructuring and to articulate them through various but coordinated forms of struggle and protest during the 1990s. Vital in accounting for the achievements of the CTA as an organizational alternative for the working class was its influence among the movement of the unemployed.

For those without a job, forms of protest that had previously been only marginal became extremely important as they gained a growing capacity to organize. In particular, the disruption of highways and bridges, and in some cases land occupations, became central in staging demands articulated around the most urgent community needs: work programs and their extension and renewal, the distribution of food assistance, and the reduction in public service fees.

Key actors in the earliest *piquetes* in the 1990s were skilled workers in the country's interior provinces. Roadblocks became a fundamental part of mass protests, emerging in several regions hit very hard by the privatization of public enterprises, which until then had provided the main source of employment. In some cases, roadblocks also became central to organizing mass demonstrations against wage payment delays for public sector employees as provincial governments faced increasing fiscal problems. Progressively, *piquetes* became the most common form of protest in the poorer areas around the city of Buenos Aires and later in other urban centres critically affected by the growth of unemployment. In the process, they also became disassociated with the workplace of those involved, quite clearly because for the majority of *piqueteros* there simply was no workplace.

The growing presence and significance of *piquetero* organizations became one of the most important political events of the 1990s, as they gained not only momentum in their struggles but also legitimacy as political actors. The rapid expansion of the Argentinian economy since 2003 and the resulting reduction in unemployment goes a long way to explaining the waning significance of the *piquetero* movement since then. Nonetheless, there were some features in the development of the organizations of the unemployed that also account for their diminishing capacity to organize workers only precariously inserted in the labour market.

One key problem was related to the difficulties that *piqueteros* encountered in coordinating their struggles. Thus, while we usually refer to them as a "movement", in practice the organizations remained marked by deep lines of division regarding politics as well as strategies of organization and representation. The propensity and willingness to

maintain open communication with the government was another major line dividing these organizations (Epstein 2003, 20-21). Differences regarding relations with the government became even deeper after the election of Néstor Kirchner to the presidency in 2003. Finally, some of these organizations took on a key role in the distribution of work programs, and this was the source of a considerable amount of conflict, since the government thus acquired important leverage with which to further influence, control and divide these organizations. Nevertheless, *piquetero* organizations varied considerably in terms of size and organizational strength, so the influence of the government and other local actors on them was also wide-ranging (Svampa and Pereyra 2003, 90).

Notwithstanding their differences and their eventual downfall, it is still important to point out the crucial role of all these organizations in configuring an essential space for the emergence of a common identity among their participants. In particular, they provided a new social meaning to their experience of being "excluded", giving the movement a specific political potential at the time (Cross and Montes Cató 2002, 92-93). This was no minor achievement, particularly considering the visibility these organizations gave to the plight of a broad sector of society so negatively affected by neoliberalism.

The lack of a political force that could provide broader content to the demands emanating from this sector was one of the most serious deficits of the time. Nonetheless, the CTA as a union central was capable of contributing vitally to the promotion of alternatives that attempted to inject the protests around unemployment and poverty with broader political objectives. In the months leading up to the uprising of December 2001, for example, the CTA was a key force behind the organization and coordination of mass protests that brought the unemployed together through roadblocks and mass demonstrations in downtown Buenos Aires, along with public sector employee and teacher strikes and other forms of community-based protests such as *cacerolazos* (pot-banging protests). Probably the most important outcome of these days of protest was the confirmation of the role of organizations of the unemployed as leaders in the opposition to the government's adjustment plans.

It is impossible to account for the events of December 2001 without understanding the pivotal role that workers' organizations acquired in mobilizing opposition to policies that had taken Argentina to a crisis of such enormous proportions. The political events that have unfolded since have created a radically different political scenario, with challenges of its own for the working class. Yet, as problematic and contradictory as the

process has been, what is beyond doubt is the loss of the consensus that free-market policies once enjoyed and the key role played by labour mobilization in producing this outcome.

Beyond Neoliberalism?

Argentina's trajectory during the 1990s points to the centrality of policies that, as it happened in so many countries at the time, profoundly transformed the nature of the intervention of the state in the economy and the objectives of its regulatory role. The depth of the crisis Argentina faced early in that decade, the particular characteristics of the stabilization plan designed to address it, and the intensity with which reforms were carried forward also indicate the necessity of understanding local conditions in the determination of the contours neoliberalism acquired in particular cases.

Acknowledging the deep political crisis that affected the legitimacy of the state in 2001, Néstor Kirchner and Cristina Fernández de Kirchner (2007-2011) have rejected international and domestic pressures to both resume the path of neoliberal structural adjustment and eliminate newly introduced regulations that have partially isolated the Argentinian economy from the volatility of global finance.

The higher exchange rate has resulted in a drastic reduction of domestic costs (including labour costs) and created more favourable conditions for a process of import substitution and industrial revitalization. Likewise, a more competitive exchange rate and rising international prices for the country's agricultural and agroindustrial products have resulted in a sustained growth of exports. Through the imposition of a tax on the exports of primary goods, the state has appropriated part of the foreign exchange windfall. This, in turn, has helped to solve the twin deficit (external and fiscal) that affected the country during the previous decade of currency overvaluation. Finally, the reversal of the decade-long fiscal hardship and the political crisis of the discourse of fiscal austerity have given the state a renewed role in subsidizing diverse economic activities and expanding welfare and social security benefits for diverse groups.

This cycle of growth has not been free of tensions. The economic recovery and the drop in unemployment made room for renewed union strength and wage demands. The latter, along with growing domestic consumption and the oligopolistic nature of some markets for mass consumption goods, have created strong inflationary pressures. Rising inflation has been at the centre of economic policymaking and political controversy.

Closely related to the priority given to growth and the rejection of pressures to resume the path of adjustment and austerity, policies in the area of labour relations acquired a particularly critical significance in the wake of the crisis in employment, the alarming levels of poverty and the demands of organizations representing precarious and unemployed workers in the early 2000s. Reducing unemployment was clearly a central priority, but addressing poverty also demanded an improvement in wages and specific welfare policies that targeted the working poor. Initially, the government relied on presidential decrees granting lump-sum wage increases for all (Orovitz Sanmartino 2010). These across-the-board increases partially offset the effects of inflation and improved the wages of formal workers as well as some sectors among the precariously employed. Since 2004, collective bargaining between workers and employers with the mediation of the state has gained momentum and has cemented the trend toward a significant improvement of salaries among registered workers. Moreover, some of the labour flexibilization measures introduced during the de la Rúa government have been reversed. Precarious workers have also benefited from some wage improvement in connection to the increase in the legal minimum wage and the rise in salaries, but their wages are increasingly lower than the salaries of formal workers (Chitarroni and Cimillo 2007, 7-8).

Nonetheless, salaries have also been slow in recovering. Taking 1970 as the base year, the average real wage reached the lowest point in 2003 (54.8 percent of the 1970 level). It gradually rose to 69 percent in 2006, but without reaching the level of the mid-1990s (88.6 percent of the base year in 1994) (Graña and Kennedy 2008). A clear expression of the losses workers have experienced is the fact that in 2006, unemployment dropped to a level similar to that of 1993, but the number of households below the poverty line was 50 percent higher (Graña *et al.* 2008). Inflation is an important factor explaining the gap between economic growth and the evolution of real wages and other social indicators. The implementation in 2009 of a child subsidy for families of those unemployed, informally employed or self-employed with salaries below the minimum wage has had some impact in raising family income, but again, inflation might undermine some of its anti-poverty potential.

To fight informality, the government has concentrated its efforts on simplifying the procedures for registering workers, on implementing a tax moratorium for employers that registered their workers and on intensifying audits. These policies have been effective among unregistered workers within formal firms. However, many other precarious workers

who form segments of the informal sector remain trapped in situations of vulnerability. They are part of the growing number of very small companies, family firms and self-employed workers linked to larger firms in the formal sector through the outsourcing of activities (Gioza Zuazúa 2007, 332-334). Thus, although 85 percent of the jobs created between 2003 and 2008 were registered formally, precarious workers still represent 36.5 percent of the workforce (Orovitz Sanmartino 2010). This figure is still considerably higher than the level in 1991, when informal workers represented 30 percent of the workforce, which was already a major increase from the 19 percent in 1980 (Chitarroni and Cimillo 2007, 6).

As we have suggested, changes since 2003 cannot be fully understood without taking into account the fundamental role of social mobilization in delegitimizing the previous consensus on neoliberalism. In the same way, the course that economic change has taken in the post-Convertibility period must be considered in terms of the political context that has made it possible. The transformation of the labour movement has been particularly important. As part of the government's support for re-establishing the central role of collective bargaining in the determination of wages, the CGT, under the leadership of Hugo Moyano, has effectively repositioned itself as the hegemonic labour representative in the country. The new strength of the CGT does not imply that it has been able to effectively represent all workers' struggles or the plight of precarious workers, but this has not prevented it from regaining the privileged role it historically enjoyed as the main interlocutor between the working class and the state.

The demands of many of the organizations of the unemployed also encountered a very different response under the government of Néstor Kirchner. Partly because of the government's recognition of the demands raised by these sectors and also because of the political significance of representing them, organizations within the *piquetero* movement were drawn within the spheres of the state in a process that emerged as a new, viable channel to influence policymaking. This was not simply an issue of co-optation or clientelism, but rather an alternative way to institutionalize the demands of these organizations in a moment when increasing the basis of support was critical for the government.

The CTA's transition into this new stage was profoundly affected by the two previous transformations in the universe of labour politics: the demobilization of the organizations of the unemployed and precariously employed and the reaffirmation of the position of the CGT within the

government. These new conditions produced important new tensions and divisions within the organization that also revealed some of the fundamental weaknesses in the trajectory of the CTA. In particular, its decision to become a political movement in 2002 turned the problem of finding a common ground to represent a more democratic segment of the labour movement into a function of its ability to innovate politically. However, all the CTA's new role as a political force achieved was to encourage its leaders to participate within other political parties, thus constituting another factor in the development of deep cleavages within the organization (Patroni 2008). Deep disagreements within the CTA also exist with respect to a government that positions itself as progressive but has supported the rebuilding of the central role of traditional unionism.

To conclude, the persistent fragmentation of the working class is one of the key characteristics of the current process of development in Argentina. It coincides with a moment of uncertainty with respect to different alternatives within organizations of the working class and their capacity to structure their struggle around precariousness. It is doubtful that further economic growth by itself can address the problem, as it is logical to suspect an important correlation between informality and the accumulation requirements of capitalism in Argentina today. In this respect, debates over whether the post-Convertibility administrations have distanced themselves from neoliberalism are in many respects misguided. The change is evident, although this does not preclude the existence of important continuities. In our view, a much more relevant question is the degree to which structural changes in the economy since the 1970s can be reversed, given the distribution of power in Argentina and the dynamism of its new stage of economic growth and insertion into international markets. Regarding the structure of labour markets, the persistence of very high levels of precarious employment points to the deep-seated transformation in the economy brought about by neoliberal reforms, which might lie beyond the space of viable change, even for a more progressive government.

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

"The Big Smoke" Screen

Toronto's G20 Protests, Police Brutality, and the Unaccountability of Public Officials

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Abstract

The G8 and G20 summits took place in Huntsville and Toronto, Ontario, Canada on 25-26 and 26-27 June 2010 respectively. Summits such as these often have large budgets attached to them and attract protests from people with various political leanings deploying a diversity of tactics, and these particular summits were no exception. In this article, we contrast official and media accounts of the protest and the policing of the events with a narrative grounded in protestors' experience, in an attempt to complicate present popular understandings of these protests. In the discussion section of the article we provide theoretical and analytic insights into what the events of last summer can tell us about organizing and policing dissent.

Résumé

Le sommets du G8 et du G20 se sont tenus à Huntsville et Toronto, Ontario, Canada le 25-26 et 26-27 juin 2010 respectivement. Les sommets comme ceux-ci ont généralement des budgets importants et attirent des manifestations organisées par des individus avec des tendances politiques multiples, utilisant des stratégies diverses. Ces sommets ne font pas exception. Dans cet article, nous contrastons les descriptions des manifestations et du comportement de la police par les sources officielles et les médias, avec les récits issus de l'expérience des manifestants, dans un souci de complexifier la compréhension populaire des ces manifestations. Nous offrons des contributions théoriques et analytiques pour comprendre ce que les événements de l'été dernier peuvent nous dire à propos de l'organisation et le contrôle de la contestation.

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There's something happening here
What it is ain't exactly clear[1]

The G8 and G20 summits took place in Huntsville and Toronto[2], Ontario, Canada on 25-26 and 26-27 June 2010 respectively (Friday-Sunday). Summits such as these often have large budgets attached to them and attract protests from people with various political leanings deploying a diversity of tactics, and these particular summits were no exception. Large budgets, summits where far-reaching political and economic decisions are made, and protests that include property destruction and burning police cars make sensational(ist) media stories. It is also often the case with these sorts of summits that what actually happened on the streets of the host city during the event is lost in the shuffle of television channels and news, video, and social networking websites. And sometimes two opposing narrative frames shape news stories about a particular aspect of the summits and protests. In the case of the Toronto G20 summit, the news reporting on the policing and protest came down to whether the police "did their jobs" or not. As early as the rally on Monday, 28 June 2010, the day after the G20 summit ended, in front of a downtown Toronto police station, well-known leftists like Naomi Klein were claiming that the police didn't do their jobs – that is, they should have confronted and arrested the Black Bloc for property destruction during a riot on June 26. Ten days after the summits, Toronto's city council weighed in with a 36-0 vote "to 'commend the outstanding work' of Toronto Police Chief Bill Blair, his officers and other police forces working during the G20 summit in Toronto."[3] It is our contention that both of these assessments of the police

[1] Steven Stills. 1967. The song, "For What It's Worth," was recorded by Stills' band, Buffalo Springfield.
[2] The city of Toronto is colloquially called "the big smoke."
[3] David Rider. 7 July 2010. "Council commends 'outstanding' police G20 work." Toronto Star. http://www.thestar.com/news/torontog20summit/article/833106--council-commends-outstanding-police-g20-work. Leftist city councilors, like Gord Perks, were absent from the vote for some reason.

and certain protest tactics are too simple and misguided; we argue that things are more complicated than either of these positions allow.

In an effort to provide a more nuanced picture of the protests and policing, we contrast official and media accounts of the protests and the policing of the events with a narrative grounded in protestors' experience. To contextualize the summits, we open our essay with a brief history of the G8/G20 summits as well as background information on the 2010 summits held in Ontario. We then describe the 21-25 June 2010 (Monday-Friday) week of protests in Toronto leading into the summit weekend as well as the more contentious protests and accompanying police brutality that occurred during the summit weekend, June 26-27. We close the paper with a section that provides analytic discussion of these events as well as outstanding questions that we (and others) have regarding the actions and inactions of police and other public officials surrounding the summits, the extraordinary measures taken in the name of "security," and the mass, arbitrary arrests of hundreds of protestors.

In this closing section, we demystify the portrayal of anarchism and of the Black Bloc in the mainstream media. We scrutinize the abuse of a temporary law that gave police the power to search and request ID from anyone inside the security fence. We also criticize other police violations of the Canadian Charter of Rights and Freedoms and of the Criminal Code of Canada, including sexual assault and discrimination by language and sexuality. We discuss how state and police repression may deter dissent, may radicalize people, and could lead to system alienation and to increased preferences for alternative political orders. We draw on social movement theory to assert that police violence is an instrumental act of social control, used not only to protect people and property and as a last resort. Hence, state and police violence is not "out of the ordinary" in a liberal democracy like Canada. These forms of violence happen daily in the communities of the poor, migrants, LGBTQ people, and people racialized other than white.

We do not support the idea that participants in the 26 June 2010 riot in Toronto were a bunch of "thugs" or "crazy anarchists," as some police officials, politicians, and mainstream journalists have claimed – though many of the rioters do seem to self-identify as anarchists. Furthermore, we do not agree with the idea circulated by Klein and others that the police simply "didn't do their job" when the Black Bloc was burning police cruisers and smashing windows. We think it is unlikely that most of what the police did and did not do was not coordinated and done for one reason or another at the behest of their commanding officers and/or political authorities. Perhaps the most disturbing aspect of the

Toronto G20 protests and policing is it is still unclear who made specific decisions about particular police (in)actions. We therefore conclude our paper by adding our names to those demanding a public inquiry into the expenditure of almost $1 billion in public funds on "security" measures that led to the largest mass arrest in Canadian history, the blatant violation of fundamental civil liberties and rights enshrined in the Canadian Charter of Rights and Freedoms, and the brutalization of hundreds of people by police.

A Brief History of the G8/G20 Summits

There is a long history of heads of societies meeting together to make decisions about such matters as mutual aid, defence, the economy, legalities, alliances, enemies, ideologies, among others. They have also chosen with whom to negotiate, and which groups were to be left out. Many institutions have been created (and abolished) in order to facilitate such meetings. From the failed League of Nations, founded in 1919 as one of the first global efforts for security and social issues and later re-organized into the United Nations in 1945, to today's G8 and G20 gatherings, many experiments have been tried for mutual defence and cooperation.

The G6 was created in 1975, in the wake of the Middle East oil crisis.[4] Of historical note, the original membership included France, Germany, Italy, Japan, the UK and the US. Canada joined in 1976, Russia in 1997. The G20 began meeting in 1999, the summit was originally for finance ministers and central bankers. The G20 now meets twice a year. Its members control 80 percent of the world's trade and Gross National Product. The meetings themselves are choreographed completely in advance, communiqués are drafted and agreed to well ahead of time. Unanticipated events are rare, though they do occur. Participants include the leaders of member-states as well as government ministers, bankers, and organizations such as the International Monetary Fund (IMF) and the World Bank. Other events also occur in concert with the G20 meetings; examples from Toronto include the G(irls) 20 summit organized by the Belinda Stronach Foundation, which is envisioned as a regular event as part of future meetings (Mahoney 2010). There was also a B(usiness) 20 summit. Such meetings also attract protest, in this case there were protests

[4] Much of the specific information in this section is from Colin Robertson, "A Primer to the G8/G20 Toronto and Huntsville Summits," Canadian Defense and Foreign Affairs Institute, June 2010.

organized by grassroots groups associated with the Toronto Community Mobilization Network (TCMN), as well as by other groups (Wood 2010).

In addition, a People's Summit took place 18-20 June 2010, at Ryerson University in downtown Toronto, the weekend before the G20. The People's Summit was meant to educate and agitate people from a variety of political leanings from liberal to social democrat to radical. The summit included a wide array of keynote speeches, workshops, cultural events, skills training, and presentations on a variety of issues, including self-determination, solidarity, environmental and social justice, peace, social/people's economy, human, women, and labour rights, revolution and transformative change from current political and economic policies. The steering committee for the event included grassroots groups, NGOs ("non-governmental" organizations), unions, and student organizations.[5] The breadth of political leanings represented in the People's Summit and on its steering committee reflects recent experience with global social justice movements with specific organizational codes emphasizing inclusivity and diversity and with a wide range of issues and tactics included in the common frame of reference of social justice, although some of the positions may be contradictory. These contradictions, however, reflect the diversity and inclusiveness of such events (Beyeler and Kreisi 2005).

Religious leaders from such faiths as Islam, Christianity, Hindu, Sikh, Judaism, Buddhism, Indigenous Spirituality and Shinto gathered at the University of Winnipeg on 21-23 June 2010, for the World Religions Summit organized by the Canadian Council of Churches. This summit has been organized alongside the G8 summit for the past five years. This is the first time the event has been held in Canada.[6]

This structure of parallel events is not unique to the G8 and G20. Many other multilateral groups meet regularly, with agreements reached in advance, with concomitant rallying of other groups to support or to protest. In Canada, many will remember the events of the IMF meeting in Québec City in 2001, a landmark in terms of global resistance and new forms of protest.

Particular narrative framings of the policing and protest of the G8 and G20 summits in Ontario were widely disseminated and reported on in local and national Canadian media leading up to, during, and for weeks

[5] The website for the People's Summit is no longer active. See these webpages for basic information on the event: http://www.rabble.ca/whatsup/2010-peoples-summit-june-18-20-2010, http://www.newswire.ca/en/releases/archive/March2010/18/c3043.html.

[6] See this webpage for more detail: http://www.uwinnipeg.ca/index/news-g8.

after the summits. However, when viewed from outside Canada, one heard little or nothing about the summits, protests, or the cost of the event, with the exception of a few photos of the iconic burning police car. John Kirton (2010, 1), Co-Director of the G20 Research Group at the University of Toronto, in his article "The Image of the Toronto Summit as Seen from Seoul", states: "in the lead-up to the Seoul Summit, Canadians-or at least their major media-were preoccupied with the action being taken against a few of their police officers for their failure to follow proper procedures in the fact of major street protests during the summit in June. Few in the media outside Canada…felt this story was newsworthy in any way." Our examination of the coverage of the summits by *The New York Times* (NYT) throughout 26-30 June 2010 seems to support Kirton's conclusion about newsworthiness. For instance, the NYT coverage included a page 8 "spread" of two articles, one on economic issues and the other on the cost of security (June 27). The articles were accompanied by a photo of a woman walking her dog by police with bicycles and by a photo of one of the mass arrests. By June 30, the NYT coverage had been reduced to a one-paragraph article about the number of arrests throughout summit week (p. 1). LeClerc's local paper, the Watertown Daily Times (less than 100 miles south of the St. Lawrence River) on June 27 had a photo of police with an article that focused entirely on economic issues (p. 1). The June 27 edition of the UK-based *Guardian* had an article with a photo and the headline "G20 rioters disrupt protest: Police arrest 560 after masked anarchists smash property; journalists report use of excessive force to maintain l 640 m security cordon." The July 28 issue of *The New Yorker* has five full-page colour ads by the government of Canada touting Canada as "a great place to do business", and additional advertisements for tourism in Alberta, Ontario, and Canada generally (inside front cover, 5, 11, 16, 23, 33, 75, inside back cover, back cover). Tourism Toronto (2010, 19) chose to take out a full-page full colour ad in the June 27 edition of the NYT, headlined: "You don't have to have diplomatic immunity to have a good time in Toronto."

The government of Canada claimed positive outcomes from the summits, especially the pledge from (some) countries to plan to cut deficits. But even *Maclean's* called for an end to such meetings which it says exist to "provide world leaders with an opportunity to mingle and pose for a group photo" (editorial, 19 July 2010). Post-summit polling done on July 1-9 by Angus Reid shows that the achievements of the meetings did not receive much attention, even in Canada where the media coverage of the summits was high: 23 percent of Canadians, 20 percent of the US, and 19

percent of Great Britain followed the final outcomes. At the same time, 52 percent of Canadians, 21 percent of the US, and 16 percent of Great Britain followed coverage of the demonstrations.[7] For Canadians polled on June 11-12, Reid found 78 percent felt the security expenditures were unjustified.[8]

This begs the question, what happened on the streets of Toronto during summit week? In what follows we recount a descriptive narrative of that week in Toronto, but first in what immediate follows we provide some basic background information on the G8 summit in Huntsville and the G20 summit in Toronto to set the proverbial stage.

Background Information on the 2010 G8/G20 Summits in Canada

The 36th G8 summit and the fifth held in Canada took place in the small town of Huntsville, Ontario, in the historic and prestigious Deerhurst Resort in the middle of "cottage country." The event is said to have occurred on June 25-26 but the meeting was really only held for about three quarters of June 25 because of the tradition of the G8 "family photo" and travel time to Toronto during the morning of June 26. The Huntsville summit participants included: core G8 members, "Africa outreach" (the heads of government of Algeria, Egypt (invited but not in attendance), Ethiopia, Malawi, Nigeria, Senegal, and South Africa), "extended outreach" (the heads of state of Colombia, Haiti, and Jamaica), and the leaders of international organizations (African Union, Commonwealth of Independent States, International Atomic Energy Agency, International Energy Agency, New Partnership for Africa's Development (NEPAD), United Nations, United Nations Educational, Scientific and Cultural Organization (UNESCO), World Bank, World Health Organization, and World Trade Organization).

The 2010 G20 Toronto summit was the fourth G20 summit and the first held in Canada. The summit was said to take place at the Metro Toronto Convention Centre (MTCC) on June 26-27. The meeting actually formally began in the evening of June 26 with a working supper at the luxurious Fairmount Royal York Hotel in downtown Toronto. The meeting continued and concluded the next day at the MTCC, so between the G8 and G20 summits there was about two days of meetings. The Toronto G20 summit, the first of two in 2010, was originally meant to take place

[7] "Americans, Britons and Canadians Tuned Out During G8/G20 Summits." http://www.angus-reid.com/polls/43131/americans-britons-and-canadians-tuned-out-during-g8g20-summits/.

[8] "Canadians Troubled by Summit Security Costs." http://www.angus-reid.com/polls/39100/canadians_troubled_by_summit_security_costs/.

immediately following the G8 summit in Huntsville, but it had to be moved because Huntsville doesn't have the capacity to provide appropriate hospitality to the large number of G20 delegates, their families and security personnel, and national and international journalists.[9] The Toronto summit participants included: core G20 members, invited nation-states (Ethiopia, Malawi, Netherlands, Nigeria, Spain, and Vietnam), and international organizations (African Union, Association of Southeast Asian Nations (ASEAN), Financial Stability Board, International Labour Organization, International Monetary Fund, NEPAD, Organisation for Economic Co-operation and Development (OECD), United Nations, World Bank Group, and World Trade Organization). The agenda for the G20 summit is set by the host country, and like the preceding G8 summit, it largely focused on economic matters relating to the on-going global economic crisis.

These types of summits are extraordinarily costly to host countries, to the government of attendees, to the host city, and to the people. The budget for the summits was $858 million, the bulk of which was spent on "security" for the G20 summit in Toronto.[10] The RCMP (Royal Canadian Mounted Police) received $330 million or 38.5 percent of the overall expenditure. The budget included almost eight dozen (95) new CCTV (closed circuit television) cameras for downtown Toronto, more than 6km of 3m/10ft zinc-coated fencing, sound canons, rubber bullets, smoke bombs, teargas, pepper spray, a temporary jail in a converted film studio, a pre-summit police training drill on counter-terrorism in the Canadian Imperial Bank of Commerce tower in Toronto's finance district, NORAD (North American Aerospace Defence Command) monitoring air traffic, and hundreds of private security guards working for a company not licensed to operate security services in Ontario (the company was licensed in a rush right before the summits, after media had widely reported that the company wasn't licensed to operate in Ontario). The budget also included the salaries, overtime, and benefits of 19,000 police, meals, travel and fleet requirements for police, accommodation for out-of-province police and commanding officers in the national police hierarchy.

Related to the high cost and the size of the security apparatus bought and assembled is the fact that these summits resulted in the largest mass arrest in Canadian history. Hundreds of peaceful protestors were

[9] Most international journalists didn't even bother to go to Huntsville; the vast majority who did were photojournalists.

[10] CBC News. 5 November 2010. "G8/G20 costs top $857M." http://www.cbc.ca/canada/toronto/story/2010/11/05/g20-costs-tabled.html.

taken to detention despite the fact they were lawfully protesting in the "free speech zone" set up by police on the grounds of Ontario's Provincial Legislator, Queen's Park. In total, 1105 people were detained, over 900 of the detainees were either never charged or subsequently had their charges dropped by the Crown (709 were never charged), 12 people have since plead guilty, and as of March 2011 over 80 cases are still before the courts. The existence of the "free speech zone" along with police actions throughout the week of the summits resulted in the suspension of basic civil rights and flagrant violations of guaranteed rights under the Canadian Charter of Rights and Freedoms (Thorne 2010).

Leading up to the summits, the government of Canada also estimated that they would spend $50 million in Huntsville, which is located in the political riding of Tony Clement, the federal Minister of Industry. This budget included $5 million to resurface the runway of North Bay's Jack Garland Airport; however, the G8 leaders ended up flying into and out of Toronto's Pearson International Airport. The largest capital project that came out of this $50 million budget seems to be the new rink in Huntsville; the building includes a 1500 seat rink or concert venue and facilities for various aquatic sports and leisure (swimming pools, wading pools, and hot tubs).

Week of Action, 21-25 June 2010[11]

> *What a field day for the heat*
> *A thousand people in the street*
> *Singing songs and carrying signs*[12]

On June 24-25, NGOs like the Council of Canadians, Oxfam International, and World Vision staged events in Huntsville that would most accurately be described a "photo ops" (NGOs like to think of them as "media stunts"). Most of the local protests against the G8/G20 took place in Toronto during the week of action that led into the weekend of the summits. Social media were used for organization and re-organization (such as the change of tactic and locales based on changing events). June 21-24, dubbed "Themed Days of Resistance (Build Up)" by the Toronto Community Mobilization Network (TCMN), brought together organizations of indigenous peoples,

[11] See this webpage for basic scheduling information: http://www.g20.torontomobilize.org/schedule.
[12] Stills 1967, "For what it's worth."

women, people of colour, the poor and working class, disabled people, queer and trans people, amongst others. Actions taken include rallies, marches, meetings and parties, and film screenings. Monday, June 21, a day for action around migrant justice, income equity, and ending war and occupation, included a march in the afternoon and street theatre and "creative civic transformations" in the evening. Tuesday, June 22, a day of action around gender justice, queer rights, and disability rights included street theatre and a march. Wednesday, June 23, a day for action around environmental and climate justice, included a "Toxic Tour of Toronto" and a people's assembly on climate justice. Thursday, June 24, a day of action for indigenous sovereignty, included the largest march on the streets of Toronto thus far in the week. With momentum building throughout the week, the TCMN dubbed June 25-27 as "Days of Action." Friday, June 25, included a family friendly feminist political picnic, and a rally, march, block party, and tent city to raise awareness about homelessness and migration. The Council of Canadians organized a "Shout Out for Global Justice!" at Massey Hall for that evening. Author and activist Naomi Klein was amongst the speakers and at the end of the event she challenged the largely middle-class audience to join her on a walk to the tent city, and a few hundred people did.

Summit Weekend, 26-27 June 2010

It is estimated that 20,000 people participated in the mainstream "People First, We Deserve Better" march that took place June 26, and the TCMN estimates that about 40,000 people participated in the protests overall. The Ontario Federation of Labour and the Canadian Labour Congress spearheaded the People First march. The coordinating committee for the event also included Oxfam Canada, Greenpeace, the Canadian Federation of Students, and the Ontario Public Service Employees Union. The march started at the "free speech zone" at Queen's Park (the location of the provincial capital, a large, park-like setting just north of downtown, the site of many protests and other actions over the years), headed south but purposefully avoided walking along the north-face of the security fence, and ended up back where it began, completing a circular route. The march was organized into "blocks." The blocks at the front of the march consisted of union-affiliated people, Oxfam affiliates, and environmentalists (dubbed the "green block" by Greenpeace). Organizers of the event wanted to separate themselves from any potential "anarchists," and actively tried to isolate unaffiliated people, particularly people clad in all black clothing, near the tail end of the march.

The organizers of the march were concerned about the widely circulated public call-out for a militant, confrontational demonstration given the name "Get Off the Fence" by the people calling for the action. The idea was for people to break off from the People First march when it turned back toward the "free speech zone" and to then participate in a militant protest that confronted the police, the security fence, and capitalists, or at least symbols of capitalism and the state, like Starbucks, chain restaurants, banks and financial institutions, and police cruisers.

The People First march by and large went the way it had been planned to happen. The situation on the ground was a fairly banal march of about 20,000 people in the downtown of a city that had 19,000 police gathered to provide "security." Beyond CSIS (Canadian Security Intelligence Service) intelligence gathering and harassment of radicals for months beforehand and at least two undercover police, one male and one female, having infiltrated the TCMN for months of build-up organizing, the higher-ranking police officers in the summit security command centre had access to an incredible amount of "real-time" video coverage from the dozens of additional CCTV cameras on downtown streets as well as video footage shot from helicopters and airplanes overhead. It would have been very difficult to do something downtown during the week leading up to the summits, and especially the weekend of the summits, that was not filmed or photographed by the police or the thousands of everyday people taking photos and videos with their phones and other gadgets, many of whom seemed more than willing to share their footage directly with police or indirectly via internet uploads. This incredible (and scary) level of surveillance is one of the reasons many people have a hard time coming to grips with what happened immediately following the People First march and the remainder of Saturday, 26 June, and Sunday, 27 June 2010. In what follows, we will recount some of these events and then evaluate some of the possible explanations of what happened.

The story starts in the early afternoon of Saturday, June 26, in Toronto's fashion district (Queen Street West, just west of Spadina Avenue). Between 200-300 people have broken off from the People First march to participate in the militant action – most in all black clothing with their faces covered, the clothing of some other people adorned communist symbols, and some folks are simply wearing "everyday" clothes. Some people in the group smash the windows of a police cruiser that for some reason is sitting in the middle of the road. There was a police officer in the cruiser at the time. Some of the 100-200 visible police in the area move toward the car. The militants back off. Once the police get their fellow

officer out of the smashed up cruiser, they back away and the radicals go back to smashing the car. The cruiser is set on fire and the crowd starts walking toward the police, smashing windows at Starbucks, chain restaurant locations, bourgeois clothing boutiques, and banks, as well as the screens of automatic banking machines and the windows of a CBC (Canadian Broadcasting Corporation) minivan along the way. The police continue to retreat and simply yell at bystanders who are madly snapping photos with their phones to move out of the way.

The militants cut south on Bay Street. When the group reaches the heart of Toronto's finance district (Bay/King), they smash two more police cruisers and light them on fire. The roughly 100-200 visible police in the area retreat to about 100m away to stand and watch.

The radicals then head west and north, smashing the windows of another Starbucks and other stores along the way. Police are seen at this time clearly running away from the protestors. At one point bricks are pulled out of the meridian of the road and thrown through some more windows. Police in full riot gear in the area are filmed going into a nearby alleyway; they remove their equipment and take a break while a nearby rented unmarked police minivan is smashed. Windows were also smashed at a nearby police station. The rioters then march west to Queen's Park where many of those in the group clad in all black huddle in a circle, remove their black clothing, leave it on the ground, and blend into the larger crowd and presumably leave the area.

The militant action covered 32-36 city blocks (depending on what one considers a "city block") in about 90 minutes without any police interference. One has to assume that the federal and Toronto municipal police and/or politicians officially and unofficially in command of the Integrated Security Unit (ISU) in charge of security for the summits made a decision to not move any of the thousands of police in the city into position to do anything about this relatively small riot. But this is puzzling because CSIS had ruled out any serious threat of terrorism, so the whole justification for the huge security budget and police presence was to deal with rioters – or was it? From the police (in)action, it seems that all they were concerned about was protecting the fence, which wasn't scalable anyway.

Shortly after the Black Bloc shed their black clothes and presumably left the Queen's Park area, hundreds of police (well over 1000) surrounded the designated "free speech zone" and began arresting people for simply being there. People who were just sitting around were pepper sprayed, others were beaten with batons; police on horseback charged and

trampled people; and yet other people were shot with rubber bullets. Toronto Police Chief Bill Blair went on the TV news after this police rampage had begun but while the police brutality in Queen's Park was still happening and stated that he was aware that guns for firing rubber bullets had been deployed but that he was not aware that these guns had been fired. He continued to deny that rubber bullets had been fired even after reporters pointed out that they had seen instances of this happening or spoken to people shot with them, one reporter even had one of the previously fired rubber bullets in his hand to show Blair – so was Blair lying to avoid blame or criticism or is he a dupe? At the time of our revising this essay in March 2011, ten months after these events transpired, it remains unclear exactly who was making which decisions for the ISU.

Later Saturday night, hundreds of people collectively walking the downtown Toronto streets and occasionally chanting such things as "peaceful protest" are arrested without cause outside The Novotel Toronto Center. The police surrounded the crowd, didn't tell them to disperse and didn't provide room for people to leave "the kettle."[13] The police then removed two journalists from the crowd; one was escorted out of the area and told if he stuck around he'd be arrested, while the other was assaulted and placed under arrest. After the journalists were no longer around to report on the incident, and while the crowd was singing "Give Peace A Chance," police start pulling people out of the kettle and arresting them.

The next morning – Sunday, 27 June – a Jail Solidarity Rally was held in front of the temporary jail. Again without warning, the police attacked a peaceful crowd, fired rubber bullets, and arrested dozens. Later that day, in the early afternoon, the now infamous "Officer Bubbles" incident happened outside the TCMN's convergence centre in a neighbourhood on the west side of Toronto. The basic story is a young woman blew bubbles at a line of police. One of these officers, Constable Adam Josephs (given the nickname "Officer Bubbles" after this event), is videotaped saying, "If the bubble touches me, you're going to be arrested for assault." The woman put the bubbles away, but was still arrested minutes later. A series of racist computer animated videos were put on YouTube shortly thereafter. The

[13] Oxford Dictionaries defines "kettling" as "a method used by police to maintain order during a large demonstration by confining demonstrators to a small area" (http://oxforddictionaries.com/definition/kettling). In our experience, kettling is a technique police use in order to arrest a group of people on the streets, usually during political events. The police, often in riot gear (large plastic shields, batons, and helmets), surround a group of people, slowly move in on them, and eventually arrest the group or select members of it by pulling people out of the kettle one by one.

videos are about Constable Josephs, a black police officer, and have 1970s funk music playing in the background. The videos were removed before too long because Josephs threatened to sue the maker of the videos for defamation for $1.25 million. It came out that Josephs' Facebook "info page" lists his employer since 2007 as the city of Toronto and that he describes his work as "I collect Human garbage." Josephs also lists his favourite quote on Facebook as "Live life to the fullest and don't forget to laugh along the way." Indeed.

After the bubble slinging young woman was arrested, the police surrounded the people in the area in front of the convergence centre. The group was denied legal counsel, and some were arrested for having a lawyer's phone number written on their arm, others were arrested for wearing a bandana around their neck (both precautionary actions usually part of training for social justice protest) or for having a back pack, and yet others were randomly pulled out of the crowd and arrested without explanation. None of the few hundred police in the area bothered to explain to the community members, those being detained, or the media what was going on. The police eventually told the group that they could leave if they showed ID and allowed their bags to be searched – both clear violations of the Canadian Charter of Rights and Freedoms.

Later that afternoon at a major intersection on the west side of the city (Queen/Spadina), the largest mass arrest of the weekend took place. About 400-500 people were surrounded by hundreds of police (over 1000). Many of these people weren't even protestors, rather they were just going about their daily business. Amongst the crowd were journalists with clearly visible media accreditation badges hanging around their necks. The riot police told people that they had to leave the area or they'd be arrested, but the crowd was surrounded so the command made no sense and the police didn't actually seem interested in letting them go. At one point the people in the kettle sang "Oh Canada." For the last two hours of this four-hour incident it was pouring rain. Eventually six chartered public transit buses arrived and were filled with people who were taken to the temporary jail for detention. The police didn't have the capacity to arrest everyone, so the people who didn't fit on the buses were simply let go. So again, "everyday people" were arbitrarily detained, not told why nor able to retain and instruct legal counsel and were not informed of their rights by the police – all clear violations of Charter rights in Canada.

Analytic Discussion and Outstanding Questions

Paranoia strikes deep
Into your life it will creep
It starts when you're always afraid
You step out of line, the man come and take you away[14]

One of the things that continues to puzzle as we review the events of last summer, and speculate on long and short term outcomes, as well as theoretical explanations, is the fact that most of the demonstrators were "ordinary" Canadians who were there with something to say about social justice. As William Carroll said: "The idea is to replace alienated social relations with those of mutual support, to break the class power of capital—power over—while fostering new forms of community of power with. This is the class struggle, and it necessarily intersects with a raft of social justice and ecological issues and movements" (Coburn interview with Carroll 2010, 73).

The framing of the various participants by others – and especially by the media – is a major part of the battle. As long ago as 1992, Klandermans drew our attention to the social construction of protest, where movements construct ideological packages with specific meanings, and then compete with others for media attention, to determine whose symbolic definitions prevail. In the case of most of the protestors, they wished to present an injustice frame, initially for their particular causes and agenda (which, as stated above, was to be done in coalition and consensus mobilization), and later for their treatment by police.

We have outlined above some of the reprehensible behaviour by police forces toward protestors during the summits. But the offenses go beyond these occurrences and beyond the law enforcement agencies to the legal system itself and the rights guaranteed by the Charter. One of the legal issues is the content and legitimacy of a temporary law secretly passed by the province of Ontario giving the police special powers. The now infamous temporary law was an amendment to the Public Works Protection Act undertaken at the request of Toronto Police Chief Blair on 2 June 2010; it was in effect throughout the summit weekend and expired on June 28. It was not even published until it had expired, adding to the confusion. What special powers the temporary law gave police and where these powers applied was not only unclear in June 2010, Police Chief Blair

[14] Stills 1967, "For what it's worth."

added to the public confusion by lying about the content of the law to the media when he said that the temporary law gave police the power to arrest people who were within five meters of the outside of the security fence who refused to show ID or agree to a police search of their person (Yang 25 June 2010). The temporary law actually gave police the power to search and request ID from anyone inside the fence. It is well documented in the media and on social networking and video-sharing websites that the police repeatedly cited this law when conducting illegal searches and requests for ID throughout the city, not just within five meters of the outside of the fence and certainly not just inside the fence. The lack of clarity – seemingly intentional – about precisely what actions and locations the law covered meant that people were not fully aware of their rights and which police demands they were legally obliged to follow. The temporary law also ran contrary to Charter rights, the public's right to public land, and expectations and trainings run by groups such as the TCMN. It also likely intimidated some from participating in the protests.

In addition to these abuses of government and police power, there have been many reports of taunting, sexual assault, and discrimination by language and sexuality – again, serious violations of Charter rights and of the Criminal Code of Canada. Some people have brought charges against the police and the state because of this treatment.[15] These events and reports warrant a public inquiry into what happened, if Chief Blair, any other police officers and officials, and any politicians abused their power, not to mention the almost $1B price tag. There is some movement for a public inquiry, but the federal and Ontario governments have vehemently opposed these efforts. All of this increased the cost of the summits: fall-out costs of dealing with the mass unconstitutional arrests, court proceedings, lawsuits, and investigations into police brutality and other misconduct.

The repression and violence on the part of the official forces raises many questions. Given the past history of summit protest, and protest at other international meetings, the actions of contention in Toronto could not be unexpected. Especially with the history in Canada in general and Toronto in particular, of cooperative, generally peaceful protest among social justice groups, and their open organizing ahead of time (and the penetration by police in some cases). There were few really new tactics in use. The Black Bloc, for instance, has been a part of social protest across the world since the 1980s, usually performing the same or similar activities as took place in Toronto (McLaren 2010).

[15] For a video displaying much of this, go to www.underoccupation.com.

A lot of the media coverage of the Toronto protests focuses on the "Black Bloc", which is almost always referred to as a violent anarchist organization. Impressions that anarchism is inherently violent and that the Black Bloc is an organization are easily found but misguided. The popular commentary on the Toronto protests exacerbated these misunderstandings. As opposed to what the mainstream media claims, the Black Bloc is not a membership organization, or an organization at all. It is rather a *tactic*, one that is often done in coalition. Targets are almost all related to capitalism, or people or institutions that support capitalism and/or colonialism (McLaren 2010). Thus, vandalism is not arbitrary, but particularly chosen, and attacks on groups such as police may also be retaliation or because they are in the way (Van Dusen 2010).

Despite misinformation campaigns, anarchist and other anti-capitalist movements are growing (Breton *et al.* 2010). Social anarchy is primarily about promoting liberty and challenging hierarchy, domination, and oppression, particularly class oppression. The aim is to build community and personal freedom, to refuse domination and to live and imagine alternatives (Thorne 2010). Anarchists aim to live their lives and govern themselves with sociality, not individualism (Torres 2007). They believe that they can build a better world (Breton *et al.* 2010). To do this, they experiment with organizational forms wherein everyone participates and decisions are made at the most decentralized, communal level via cooperation, mutual aid, and solidarity, and free of government (Gelderloos 2010). Anarchists think that government is, in fact, evil because it rests on violence and restricting liberty; thus, government is not only unnecessary, it is also harmful. In addition, anarchists understand private property as theft because it results in economic exploitation and domination; therefore, property should be re-communalized and people should trust each other and live a gift economy (Goldman 1969). Anarchist and anti-capitalist beliefs and practices are often met with state and police repression.

As was seen in Toronto, repression sometimes deters and sometimes radicalizes. Sometimes this results in system alienation and this may gain sympathy from outsiders. Repression increases preferences for alternative political orders as a possible public good (Opp and Roehl 1997). Repression can also be seen as an outgrowth of a political system that is not seen as able to be legally challenged, and police violence increases this radicalization, including more extreme and more transgressive tactics. Repression is also seen as stiffening resistance and encouraging evasion of surveillance. It also produces shifts of tactics (McAdam *et al.* 2001). Particularly, if selective, it tends to isolate the more militant groups, closing

off prescribed contentions. The experiences of the protestors and the onlookers in Toronto seem to fall within this conceptualization.

Some previous theories, especially those of Donatella della Porta and Herbert Reiter (1998), attempt to define protest policing in a neutral way by claiming that police are attempting to implement a "protest management strategy" in relating regularly to protest groups. However, more recent work (Rafail 2010, 503) suggests that "the police use force for reasons besides the protection of persons or property and instead may be a part of a broader protest management strategy where force is not only used as a tactic of last resort", and that law enforcement more recently has focused on intelligence gathering and selectivity for policing "public order." Therefore, violence by police can be seen as an instrumental act of social control (Gamson 1990). The acts of some of the police during the summit seem to fall in this category, but it remains unclear how many officers participated in the violent (and criminal) acts. In many cases, we ask where were most of the expensive and much vaulted police? Many of the actions and inactions of police and politicians described in this paper are of the kind that tend to vacate the moderate centre and cause activists to look for new channels or new ideological context and content for the next wave of protest.

As mentioned briefly above, another aspect of social protest in this decade in general and the protests against the G20 in Toronto in particular is the use of social media, especially in organizational tactics. These forms of media certainly do lower actual costs of participation, organization, recruitment and training. They also have weaknesses, including their accessibility. These media can also produce non-participation, as people can follow actions and maintain (some level of) anonymity by joining Facebook groups or following Twitter without having to show up. And, as has been recently seen in the Middle East, governments may disrupt such media, and police and political regimes may also use social media for their own advantage, including scaring away protestors, luring them to particular places, as well as monitoring their online communications (Papic and Noonan 2001).

About 100 police officers are under investigation or have been under investigation since the summits for G20 related activities. Given that over 900 of the 1105 people detained either never had charges laid against them or had their charges dropped, there are in the end almost as many police under investigation as there are people with charges pending – and many of those charges are trumped up. Police-friendly adjudicating bodies

have cleared many of the police alleged to have done wrong, though others are facing criminal charges.

The mass arrests are seen by many folks who comment on G20-related Canadian online media articles and by many people we've spoken with as "out of the ordinary" orderliness of liberal democracy. We find that it is often the case in conversations such as these that it isn't acknowledged that police brutality happens on a daily basis in the communities of the poor, of migrants, of LGBTQ people, and of people racialized other than white. Claims that police brutality in Canada in general and Toronto in particular is out of the ordinary are often predicated on white, heterosexual, and class privilege.

The Toronto protests left a lot of people in a tailspin. As Lesley Wood (2010) said, local activists were concerned that this event would take away from their daily work in organizations like the Ontario Coalition Against Poverty, No One Is Illegal, and Justicia for Migrant Workers. And this has proved true in the sense that many radicals were harassed by CSIS in the lead up to the summits and eighteen organizers are still facing trumped up conspiracy charges, most of whom made bail but the severe bail conditions limit their ability to participate in organizing work, let alone speak with one another as friends and/or lovers.

As we said in the introduction, we don't subscribe to the idea that the militants were a bunch of "crazy anarchists" – though many of them self-identify as anarchists, but that certainly doesn't make them crazy – and we don't subscribe to the idea that the police simply didn't do their job when the Black Bloc was burning police cars and smashing windows, as Naomi Klein and others have claimed. It seems unlikely that most of what the police did or did not do was not orchestrated and done for one reason or another dictated by their commanding officers and/or by political authorities. It isn't as if the police didn't know about the "Off the Fence" action, a call-out for the event was published online well in advance. Also, as we previously pointed out, at least two police agents infiltrated the TCMN months before the summits. Yet, the Black Bloc action went largely uncontested by the police. On one level, we think that was wonderful. We certainly don't want to see radicals arrested for challenging capitalism and colonialism, but the policing of the militant action and the mass, arbitrary arrests that followed don't make a lot of sense. We are left with many outstanding questions, including: why did the police not confront the Black Bloc? Why did the police leave 100-200 officers nearby just to witness the events that transpired? Where were the other almost 19,000 officers? Why did the police suddenly spring into action, after the Black Bloc had

dissipated, to conduct mass, arbitrary arrests and brutalize hundreds of people? And, who made which decisions about specific police actions and inactions? Questions such as these and many others have led to widespread calls for a full-scale public inquiry into the expenditure of public funds and the actions and inactions of the police. The Canadian federal government and the Ontario provincial government have thus far been successful in preventing such an inquiry.

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REVIEW ESSAY

Socialism and Democracy in Latin America's Left Turns

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Maxwell A. Cameron and Eric Hershberg, eds. 2010. *Latin America's Left Turns: Politics, Policies and Trajectories of Change*. Boulder: Lynne Rienner. ISBN: 978-1-58826-739-9. Paperback: 27.50 USD. Pages: 320.

James Petras and Henry Veltmeyer. 2009. *What's Left in Latin America? Regime Change in New Times*. Farnham: Ashgate. ISBN: 978-0-7546-7797-0. Cloth: 99.95 USD. Pages: 266.

Eduardo Silva. 2009. *Challenging Neoliberalism in Latin America*. Cambridge: Cambridge University Press. ISBN: 9780521705721. Paperback: 29.95 CAD. Pages: 336.

Hugo Chávez's victory in Venezuela's 1998 presidential elections marked the beginning of the "pink tide" which swept left governments to power throughout Latin America. Over the course of the next decade, left and centre-left governments were elected in a dozen countries on the basis of opposition to the neoliberal policies of the Washington Consensus.[1] Few

[1] Left and centre-left presidential victories have occurred on every part of the continent. In the southern cone countries, Chile led the way with the victory of the socialist Ricardo Lagos in the 2000 elections at the head of the Concertación alliance; his successor, Michelle Bachelet, won the presidential elections six-years later. In Argentina, the late Néstor Kirchner won the 2003 elections at the head of a reconstituted Peronist Party, which his spouse, Cristina Fernández de Kirchner, led to victory once again in 2007. Tabaré Vázquez's victory in neighbouring Uruguay at the head of an alliance of left parties (the Frente Amplio) and Fernando Lugo's victory in Paraguay in 2008 completed left power in the sub-region. In Brazil, Luiz Inácio Lula da Silva of the Worker's Party won elections in 2002 and 2006; his successor, Dilma Rousseff, a former guerrilla, won the 2010 elections. In the Andes, Hugo Chávez won re-elections in 2000 and 2006; the indigenous-socialist leader, Evo Morales, won the 2005 elections in Bolivia; and Rafael Correa, a technocrat with the support of the social movements, followed one year later in Ecuador. In Central America, Álvaro Colom won the 2007 Guatemalan elections at the head of a social democratic alliance; Sandinista leader, Daniel Ortega, returned to power after winning the 2008 elections in Nicaragua; and the following year, Mauricio Funes of another guerrilla group-turned-political party, the FMLN, won in El Salvador. In Peru, Colombia and

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progressive scholars would disagree that the origins of the left electoral victories reside in the crisis of the neoliberal state and the mass resistance engendered by it as social movements organized to contest the policies of inequality and exclusion. A series of books has emerged that provide insightful contributions on the nature of the left regimes, their prospects and political significance.

Eduardo Silva's *Challenging Neoliberalism* examines the rise of the social movements and their emergence as powerful collective actors in the struggle against the imposition of "market society." Although he is critical of many of the shortcomings of the left regimes, he is hopeful that the left turns (of which there are many) will lead to a progressively de-commodified society, though he falls short of asserting the necessity of socialism. Maxwell Cameron and Eric Hershberg's collection of essays in *Latin America's Left Turns* shares a similar optimism. Most contributors agree that the policies of the left governments indicate a strong commitment to democracy and social justice. In those countries where constituent assemblies have re-founded the nation through constitutional change – a hallmark of the left turns – the limitations of liberal democracy have been transcended through institutions and forms of citizenship that enhance participation and social inclusion. In *What's Left in Latin America*, however, veteran Marxist observers of the region, James Petras and Henry Veltmeyer, challenge such sanguine assessments. They argue that left-regime change has not led to a fundamental transformation of the neoliberal state – unequal social structures and polarized class relations continue to characterize the region as the centre-left governments pursue a more socially inclusive form of neoliberalism under the post-Washington Consensus.

While each of these contributions provide a different theoretical assessment of the social movements, regime-types, policies and politics of the new left based on comparative analysis of national experiences, a key distinction in their interpretations hinges upon an old theme in the study of Latin American politics – the relationship between democracy and social change (social democratic, socialist or otherwise). Silva and Cameron and Hershberg reject early critical assessments on the third wave transition to democracy in Latin America which held that the elite nature of democratization would foreclose the possibility of creating more socially just societies. The current conjuncture demonstrates, they argue, that the

Mexico, right-wing governments remained in power amidst considerable social instability and opposition.

transition to liberal democracy provided a space for leftist forces to contest the power of dominant classes and political elites. Petras and Veltmeyer, in contrast, point to the limitations of the electoral path to state power, arguing that governing centre-left parties have pursued alliances with dominant classes while co-opting and repressing the social movements. While they are right to insist on the ongoing relevance of socialism, their dismissal of electoral politics overlooks the lessons of the authoritarian past. If each of these contributions adds a valuable perspective to the debate, none provides a full assessment of the challenges and pitfalls of reconciling social transformation with democratic change.

Cameron and Hershberg bring together a collection of mostly social democratic essays on the origins of the left electoral victories and the nature of the left turns. The twelve chapters of the collection are organized according to three sections: thinking about the left, politics beyond liberalism and issues of political economy. A particularly insightful introductory chapter by the editors and John Beasley-Murray frames the discussion in terms of a few common themes that unite the collection, such as constituent versus constituted power, post-liberalism, democracy and the "multitude." The contributors draw upon a combination of approaches rooted in comparative politics, political theory and public policy to analyze and compare the new left regimes.

In terms of the character of the left regimes, the editors reject the tendency to dichotomize the left into one or another of two categories, a tendency that typically gives rise to a division between a "good" social democratic left that follows the basic precepts of the free market and a "bad" populist left that advances unsustainable economic policies and violates the liberal rules of the political game (Jorge Castañeda's division is the most famous example of this type of thinking).[2] As John French states in a chapter on how the left regimes compare, the "sharp juxtaposition of social democracy and populism originates in the policing efforts by the neoliberal establishment in Latin America" (44). At the same time, French overlooks the fact that there is a radical case for distinguishing between the new left regimes; focusing on their alleged anti-neoliberal credentials may obfuscate the extent to which many have actually accommodated the neoliberal model. If simple binaries do not suffice, many contributors still see the value of classifying the left regimes according to some combination of normative and descriptive criteria. Luis Reygadas and Fernando

[2] The former camp includes Brazil, Uruguay and Chile; the latter, Venezuela, Bolivia, Ecuador, Argentina and Nicaragua.

Filgueira offer a particularly interesting analysis of the social policies of the new left regimes, distinguishing between three dominant strategies: liberal, social democratic and radical populist. Although each regime has implemented policies that reflect all three strategies, Chile and Venezuela are representative of opposite ends of a continuum from liberalism to radical populism.

On the origins of the left turns, Reygadas and Filgueira provide a helpful way of situating the "pink tide" regionally and historically not just in terms of the failure of neoliberalism, but liberalism more broadly. They argue that the left turns can be viewed as a "second incorporation crisis" of liberalism, paralleling an earlier crisis of the 1940s and 1950s when demands for greater equality and inclusion by peasants, labourers and the middle class led to increased political enfranchisement, new forms of redistribution and a greater commitment to national development under import-substitution (ISI). The authoritarian dictatorships of the 1970s reversed the tendency towards greater inclusion and diminishing inequality. The third wave transitions re-democratized the political space, though, as Cameron, Hershberg and Beasley-Murray remind us, their conservative nature placed basic questions on how to deal with social cleavages and inequalities outside the agenda for public contestation. Liberalism, once again, proved insufficient in Latin America, though it provided a path through which left parties came to power to expand democratic politics and the traditional republican ideal.

A chapter by Beasley-Murray goes furthest in theorizing how popular revolt by the "multitude" against not only neoliberalism but the entire postcolonial system of governance created the pressures for left governments to recreate the political order through constitution making in Venezuela, Bolivia, and Ecuador. In this sense, he asserts, "the 'left turns' continue to be about a conflict between the subterranean power of a constituent power that is closer to the surface than ever, and a constituted power that is more or less frantically trying to reinvent liberalism for these post-liberal times" (143). Although the concept of multitude – which, as in its original formulation by Antonio Negri and Michael Hardt, is amorphous and all-encompassing – tells us very little about how popular groups actually become organized collective actors, the juxtaposition of constituent and constituted power points to what's unique about Latin America's left turns.[3] For if, as the editors rightly assert, constitution making is always about power struggles to "constitute" a new

[3] See Borón (2005) for a critique of Hardt and Negri's use of the concept in their work, *Empire*.

constitutional order that reshapes the power, participation and interests favoured by the older order, a significant feature of the left turns is that its pursuing its agenda by changing the basic legal structure rather than revolt, violence or revolution. Among other things, this means that new leaders find themselves bound by the rule of law under new constitutions and restricted in their arbitrary use of power.

Arditi's chapter on post-liberalism thus reminds us that the left's historical itinerary from insurrectional to electoral politics is partially rooted in the defeats of the past. The unexpected effect of the string of military coups of the 1970s was that it prompted many political groups to reassess their misgivings about electoral democracy or to broaden their appeal beyond workers and the peasantry. As Cameron and Kenneth Sharpe argue in a chapter on constituent power and constitution making in the Andes, however, this approach poses a dilemma insofar as the left must negotiate with other political forces – whatever their ideology – that retain electoral resources and legitimacy. The focus on constituent power is but one example of how *Latin America's Left Turns* grapples with the tension between democracy and social change. Chapters on Bolivia and Venezuela (discussed below) delve further into the issue, providing a solid defence of the more radical elements of the left turns against standard liberal criticisms.

Latin America's Left Turns provides an important point of departure into developing a social democratic political theory of Latin America's new left. However – perhaps in part because it seems intended to convince liberal critics of the democratic credentials of the new left – it is lacking in a critical engagement with the limitations of the left turns from a radical perspective. This is not to say that contributors are unaware of the limitations of the new left when it comes to matters of social change. From the outset, the editors themselves note that "nowhere is the left pursuing a radical statist project that is inimical to the interests of the business community as a whole" (9). They further warn that social democracy in the current conjuncture may once again amount to another inadequate incarnation of liberalism. And yet, a more sustained analysis of class relations and the political economic structure of the region under the new left is missing. Indeed, the section on political economy provides important analysis of policy issues such as Reygadas and Filgueira's exploration of social policy, but a deeper structural analysis is conspicuously lacking.

Moreover, although some contributors examine issues of culture by touching on the indigenous-led pluri-national visions being articulated as alternatives to liberalism, there is little attempt to examine the interaction

of different social relations of power. This is particularly apparent in terms of gender relations, which are scarcely mentioned. A feminist analysis of the new Latin American left in terms of public policy issues would have rounded out the collection.[4]

Challenging Neoliberalism and *What's Left in Latin America* provide a deeper theorization of the mobilization of social movements, the development of social power through collective action and the limitations of the centre and centre-left regimes. They diverge considerably, however, with respect to their assessment of the relationship between democracy and social change. The authors of both books situate their analysis of the crisis of neoliberalism within a larger critique of capitalism. Both invoke Karl Polanyi's critique of market society as a specific brand of capitalism which engenders its own opposition as political, cultural, and social life are subjugated to the logic of the market. Drawing upon the concept of the "double movement," they examine how the governments that came to power in the wake of the democratic transitions – most of which implemented neoliberal reforms after campaigning on anti-neoliberal platforms (covered in depth by Silva) – encountered growing resistance by social movements and organized labour. Silva focuses on the experiences of Bolivia, Ecuador, Venezuela and Argentina, devoting a final chapter to Peru and Chile to explore the factors that led to the stabilization of neoliberalism in both of those countries. Petras and Veltmeyer examine Bolivia, Argentina, Venezuela and Cuba, with the latter two presented as legitimate leftist alternatives in the region notwithstanding their own internal tensions and contradictions.

Petras and Veltmeyer, however, also frame their analysis within an explicitly historical materialist framework, situating Latin America's regional political economy within a classic statement on class exploitation and the contradictions of capitalism. They draw upon a wealth of economic statistics, much of it from United Nations Economic Commission for Latin America and the Caribbean (ECLAC or CEPAL by its Spanish acronym), to make their case. Their analysis of the current conjuncture builds upon a critical engagement with social movements over three years of field research.[5] They are not unconcerned with the multiple forms that

[4] Unfortunately, few comparative accounts of Latin America's left turns from a feminist perspective have been undertaken. Friedman's (2009) insightful critique of the left regimes in Brazil, Bolivia, Chile and Venezuela and gender issues is a notable exception.

[5] It should be noted that the authors state in the introduction that their work is based on recurrent visits and close study over the "past three years" (1). The back cover, however,

exploitation and domination take, though there is little question that class is prioritized as the only cross cutting social relation around which a larger socialist project must be articulated. Above all, they emphasize the importance of class struggle, political power and a class conscious leadership in determining the success of radical change.

Silva, for his part, develops a Marxian-Weberian theory of power as a relational category with economic, political, ideological, and military dimensions. Interweaving elements of class-analysis, historical-sociology, and new social movement theory to theorize the nature of the social movements and their relationship to the state, he masterfully traces the growth of resistance to neoliberalism in each country from "relatively self-contained early streams of protest into ever-stronger rivers of mobilization." The framework of the contentious politics literature is deployed to examine how the waves of revolt expanded as movements formed on the basis of "associational" and "collective power" integrated their specific grievances against the state within a larger critique of neoliberalism.[6] Most of the analysis is based on secondary sources with considerable use of newspaper articles to identify key events.

Despite his broad conception of power, Silva focuses primarily on its structural and institutional dimensions – his account conspicuously fails to include a theorization of patriarchy and cultural domination as being both a part of and separate from class exploitation. That being said, his examination of the material dimensions of contention, particularly in terms of how the "repertoire of contention" shifted across waves of protest, is no less insightful. He argues that opposition at the point of production in the workplace by labour became increasingly overshadowed by the role of newly unemployed workers in leading anti-neoliberal contention in the

notes that the book is based on "five years of field research." This is unfortunately but one example of the poor editing that characterizes the work. Indeed, for many scholars, the book will be difficult to read, not because of its analysis – which is in places questionable – but because of its many typographical errors, spelling inconsistencies and missing sentences. One particularly vexing example is the inconsistent spelling used for the name of the Vice President of Bolivia. In some places, he is identified correctly as García Linera; elsewhere, however, the Vice President becomes García Lineres. Such a criticism would be petty were it not for the omnipresence of the errors and – in the case of Linera – the vehemence with which he is consistently attacked.

[6] The deployment of "brokerage mechanisms" to produce nodes of contact linking previously unconnected movements and "cognitive mechanisms" to consolidate an integrated critique of neoliberalism are described in some detail, along with other meso-level tactics in the "repertoire of contention."

streets as de-unionization and de-industrialization eroded collective labour power. By the second-generation of neoliberal reform of the 1990s, unemployed workers occupied a primary place among the multiple social movements which increasingly acted in concert both together and with organized labour. The *piqueteros* – who first captured the imagination of the new Latin American left as the movement began to organize in Argentina – became the new paradigm of anti-capitalist contention. Their most visible tactic centred on a strategy of disrupting exchange networks governing the circulation of vital commodities such as raw energy through the erection of roadblocks. Workers remained a primary force of anti-neoliberal contention, however, as testified by the wave of takeovers and occupations that swept Argentina at the apex of the crisis of the neoliberal state in the early 2000s.

In terms of the character of the new left regimes, *What's Left* provides a detailed critique which constitutes the work's main contribution. Petras and Veltmeyer's central criticism is that the centre-left governments have deepened a dependent-structure of accumulation in the world capitalist economy that privileges the interests of the agro-mineral oligarchy over the peasantry and urban working class. With the exception of Venezuela, which has begun to challenge the traditional power of capital, the centre-left has pursued the modest social policy of the post-Washington Consensus without altering the underlying structure of the neoliberal economy – inequality, they argue, has in fact increased almost everywhere. The agro-export model of accumulation – driven in large part by China and India's insatiable appetite for commodities which has (temporarily?) reversed the traditional terms of trade in the world market and provided the surplus required to finance social programs – has given rise to new social contradictions and paradoxes. Timid land reforms and other reformist measures by the left governments have done little to address the poverty and dispossession of the peasantry. Meanwhile, the growing economic power of the dominant classes through the commodity booms has led to a resurgence in the political power of the right while left governments have actively demobilized the social movements.

Although Brazil is only referred to tangentially throughout the book, for Petras and Veltmeyer the government of Lula da Silva and the Worker's Party (PT) exemplifies the treachery of the social democratic left: "Lula's PT regime," they write, "which came to office with the powerful backing of the trade unions, the MST (landless peasants movement), public sector unions and popular social movements, has become the leader of the resurgent, elite-led agro-export movement" (23). Indeed, under Lula's

government, social movements have suffered criminalization, the agro-bourgeoisie has vastly expanded and the bankers remain firmly in charge of financial policy. And yet, Brazil is one of the only countries where inequality has diminished - as Petras and Veltmeyer themselves concede. A closer look at the strengths and weaknesses of Lula's social policy in the ongoing context of neoliberal economics would have buttressed their case on the limitations of the post-Washington Consensus (a major shortcoming of all 3 works under review is that they fail to provide a detailed analysis of the Brazilian case, though Reygadas and Filgueira's chapter on social policy in *Latin America's Left Turns* does include Brazil in its analysis).

For Petras and Veltmeyer, there is no question that the limitations of the centre-left regimes can be traced to the acceptance of the social movements of the electoral path as the main strategy to achieve their objectives. The acceptance of this strategy led to a failure to seize the initiative presented by a unique revolutionary epoch characterized by a favourable accumulation of class power. Based on more than forty years of observation and engagement with the Latin American left, they argue that the electoral path in the absence of a sustained commitment to insurrectionary tactics can only lead to demobilization, disappointment and co-optation of radical leaders. "Parliamentary politics," they argue, "creates powerful spiritual and material inducements, status and income that inhibit the re-radicalization of ex-movement parliamentarians" (218). Silva provides a different assessment. He echoes sentiments from the earlier literature on democratization that social change is contingent upon the broad acceptance of the left of the principles of liberal democracy. According to his analysis, the closing of associational space as a result of revolutionary threats in Peru and Chile explains why both countries have produced more stable neoliberal orders.[7]

For Petras and Veltmeyer, the de-radicalization of the left is all the more lamentable given that it has coincided with the declining ability of the US to intervene. They attribute the decline of US power in the region to both structural changes in the regional economy and the massive diversion of US resources to the Middle East. In terms of the former, growing trade relations with Europe and Asia in conjunction with expanding domestic markets has led to a decoupling of the Latin American economies from the

[7] In the former, the Fujimori government shut down associational space across civil society in the name of the war against the Shining Path; in the latter, the Pinochet regime quashed a resurgent revolutionary movement in the early 1980s, paving the way for a very conservative democratic transition.

United States. This has coincided with the loss of influence of the IMF and the World Bank. The paradox, however, is that neoliberalism is now being driven endogenously by the very regimes which came to power opposing it.

Not surprisingly, they are critical of regional integration initiatives such as Mercosur, which have incorporated the same neoliberal logic as the failed US and Canadian-led Free Trade Area of the Americas (FTAA). Their pessimism concerning the Bolivarian Alliance for the Americas (ALBA), however, is a departure for most left analyses, though it is hard to disagree with their assessment that it remains an association of marginal states in which trade flows are largely from Venezuela to the weaker economies (with the partial exception of Petras and Veltmeyer, none of the authors discuss regional integration in any depth).

In terms of their analyses of specific countries, *What's Left* and *Challenging Neoliberalism* offer similar appraisals of Argentina and Venezuela but diverge in their treatment of Bolivia. Both are critical of the Kirchner governments in Argentina for re-establishing clientelistic relations with labour by the party machinery, though Silva is predictably more forgiving than Petras and Veltmeyer. Silva attributes the limitations of the left in Argentina to the failure of the *piqueteros* and organized labour to move beyond temporary conjunctural alliances to forge long-term collective power. For Petras and Veltmeyer, the inability of the popular movement to articulate an alternative to the re-imposition of "normal capitalism" by the Kirchners was rooted in the spontaneous, mass, autonomous character of the *piquetero* movement, which lacked the political power and national leadership to develop a class conscious workers movement.

Yet if collective power and workers' consciousness are required for social change, the Venezuelan experience indicates that they can be developed and consolidated by a charismatic leader after an electoral victory. Neither book explores this point in any depth, though both acknowledge the centrality of Chávez's leadership in directing structural change from above. Indeed, collective power was only forged by the state after Chávez's Bolivarian revolution began creating new institutional spaces for the social movements and popular participation such as the community councils.[8] Prior to this, the regular episodes of contention that

[8] Likewise, Silva argues that in Ecuador the presidential victory of the anti-neoliberal technocrat, Rafael Correa, was based on popular electoral support in the absence of collective power, which has limited the radical potential of the government.

swept Venezuela in the 1990s failed to coalesce a unified, coordinated anti-neoliberal movement against the state, which, as Silva argues, managed confrontation with labour by maintaining elements of the national-popular compromise. Both books thus apply a theoretical double standard in accounting for the failure of leftist change in one country by invoking a factor that was in fact absent in the success of another. Clearly, the constellation of factors that drive meaningful social change are more historically contingent and indeterminate than both a traditional Marxist analysis (which is not to dismiss Petras and Veltmeyer's assessment as praxis) and a contentious politics approach would allow.

The failure to confront the centrality of leadership in driving Venezuela's Bolivarian Revolution leads both books to dismiss or ignore concerns about the centralization of executive power. For Silva, Chávez's embrace of electoral politics and acceptance of liberal democratic norms is sufficient to dispel any concerns on the arbitrariness of the revolutionary process. For Petras and Veltmeyer, the only relevant issue is whether state power is being used to affect a process of radical transformation. Despite serious challenges and limitations, they argue that, ultimately, it is. As Jennifer McCoy argues in a chapter of *Latin America's Left Turns*, however, "chavismo has produced a system dependent on the popularity, charisma and visions of a single individual" (98). While much of McCoy's liberal-inspired critique has little merit (see Cameron and Sharpe's counter argument), thoughtful radical intellectuals such as Margarita López Maya (2007) have raised concerns on how executive centralism may undermine the sustainability of the Bolivarian Revolution and weaken the autonomy of social movements. If the analysis is debatable, the critique must be taken seriously given the history of authoritarianism that has all too often characterized socialist regimes.

Silva comes down on the opposite side of the debate than Petras and Veltmeyer in his interpretation of social change in Bolivia. For Silva, the MAS-led process of social change is grandly theorized as a "reformist leftward decommodifying swing of Polanyi's double movement of capitalism." He is particularly enthusiastic about the democratic means through which this process of change has been accomplished. The outcome of this analysis is that he evades the question of how far structural change is possible in the absence of a more confrontational approach with dominant capital. For Petras and Veltmeyer, however, the MAS abandoned its radical indigenous roots when it embarked upon a strategy of class compromise and electoral politics. Rather than seize the opportunity for a revolutionary assault on power that the mobilization of the indigenous-

peasant movement provided in the wake of the Gas Wars, the MAS chose to expand its electoral base by appealing to the urban-based petty-bourgeoisie and middle-class Mestizo intellectuals. With socialism on the backburner, the party has substituted real structural transformation with populist policies and symbolic cultural politics. Worse, it has adopted an accommodationist approach towards the white agro-export elite in the eastern half of the country, which has regrouped politically and gained renewed autonomy. The MAS' project of Andean capitalism has offered little more than a palliative to the poor while the structural power of the oligarchy has in fact increased.

Although Petras and Veltmeyer develop their critique on strong foundations, argumentative rigour at times takes a backseat to simplistic ideological attacks on the party leadership. The limited assertion of national control over key resources, the populist character of social policy and the misguided compromises with the opposition are all issues worthy of central attention when evaluating the MAS' commitment to structural transformation. Yet, there is more to the party's redistributive and cultural politics then the authors are willing to admit, and its attempts at improving the material lives of the indigenous majority while legitimating and institutionalizing its political practices through a process of decolonization is no modest feat. Indeed, the authors fail to engage with the vast literature on Bolivia which discusses these challenges, much of it radical and not entirely uncritical.[9] A more insightful analysis of the MAS is offered by Santiago Anria in *Latin America's Left Turns*, which, while acknowledging much of the radical critique, situates the limitations of the party historically in terms of the challenges associated with articulating new organizational practices and spaces in the cities. If the MAS' expansion into the urban areas was critical for winning government and ensuing governability, it unfortunately replicated many of the top-down client-patron schemes of participation inherited from older political parties.

A chapter on Cuba betrays the authors' ideological double standards, though it still manages to be one of the most insightful in *What's Left*. The long list of shortcomings of the Cuban revolution are systematically revealed: the ongoing dependence on agro-exports and tourism since the Special Period; the decline in local food production; the neglect of the housing sector; the inadequate transport system; the growth of a lumpenproletariat; and, perhaps most importantly, the growing

[9] See the July edition of *Latin American Perspectives* (2010, Vol. 37, No. 4) for a recent collection of essays on Bolivia with different viewpoints from various radical scholars.

contradiction between a highly educated work force and the lack of a sufficiently diversified economy to provide meaningful employment. Low wages, weak motivation and a lack of worker discipline characterize an economy over which workers seem to exercise little control. With all of its blemishes, it is at times unclear what lessons the Revolution actually has to offer the new Latin American left. The best argument Petras and Veltmeyer can muster in its favour is that Cuba has enjoyed higher levels of human development (an admittedly odd indicator of the vitality of socialism for a Marxist interpretation) than low-income capitalist countries. The authors fail to question why, after fifty years of socialism, worker control over the production process is so minimal. Nor do they analyze the extent to which the political system offers real channels for mass democratic participation. Whatever its social accomplishments – and there is no question that these are considerable and merit a vigorous defence on the part of the left – Cuba continues to exemplify the undemocratic features of political and economic governance that have unfortunately been all too common to actually-existing socialist regimes.

Yet, the challenges of creating socialism in Cuba should not distract from its ongoing necessity. The persistence and deepening of inequality under social democratic regimes indicates that the contradictions of capitalism are alive and well, and that the struggles intended to democratize both politics and the economy will not succeed in the absence of a radical alternative vision of society. Petras and Veltmeyer identify important lessons of the past and present, including the ongoing importance of nationalizing key sectors and the commanding heights of the economy to implement socialism while undercutting the power base of the oligarchs (they also note that controlling investment is central to containing inflation). Venezuela has made more progress than others in this regard, but nationalization must be expanded and followed by socialization. Just as importantly, the Cuban experience underscores the importance of deepening democratic control of the economy. While Petras and Veltmeyer are highly critical of current market-driven reforms, they assert that Cuba was right to re-introduce a small private sector – distinct from capitalist enterprise – in local markets. This is also an important lesson of managing a viable socialist economy.

Progressive scholars will undoubtedly find much of value in the three books reviewed here. Each helps to illuminate key questions on the nature of the new left regimes, the social movements that brought them to power, their policies, politics and possible trajectories. Several chapters in *Latin America's Left Turns* provide a formidable defence of the new left

regimes, legitimizing the democratic aspirations that have animated the popular struggles to reconstitute power as a result of the inadequacies of both liberalism and neoliberalism. Where the collection falls short, however, is in its failure to offer a political economy of the region that reveals the underlying structural contradictions that continue to define it. Petras and Veltmeyer's contribution lies precisely in their ability to identify the structural contradictions and paradoxes of the regional political economy, and to take the new left regimes to task for not confronting them. Their failure to consider the importance of electoral democracy in light of the authoritarianism of the past, however, is a serious shortcoming. Silva, for his part, provides a holistic framework for analyzing power relations in Latin America and for deciphering the factors that lead to the emergence, success and failures of collective actors on the political scene. At the same time, Silva reproduces the same oversight as the other contributions in failing to pay sufficient attention to the gender dynamics of the left turns despite his broader conception of power.

From the perspective of socialist inquiry and praxis, the debate on the relationship between liberal democracy and socialism (or the transition to socialism) in Latin America's current conjuncture merits a deeper consideration than any one of these contributions provides. There is an argument to be made that the left now, as much as ever, needs to reaffirm its commitment to democratic values (including elements of the liberal republican tradition) on both tactical and ethical grounds. Liberal democratic norms should be upheld and expanded where the left is not confronting dictatorship. This is not to rule out extra-legal tactics on the part of popular actors, but to insist upon ultimately achieving structural change at the ballot box. The rise of a new right willing to reproduce the violent tactics of the old - a tendency most tragically illustrated through the coup in Honduras in 2009 - reaffirms the lesson of the dark days of the dictatorship that the left must champion democracy as the only legitimate political regime. One of the more important developments in terms of Latin American integration not discussed by any of the authors is the rise of the Union of South American Nations (UNASUR), which has acted as a bulwark against reactionary social forces both in Bolivia – where it has unambiguously supported the Morales government against the forces of reaction in the *media luna* – and Honduras. The socialist left must embrace this new political sensibility.

In the absence of a more vigorous intellectual defence of the values of democracy, the left opens the way for right-wing authoritarians to act undemocratically in the name of restoring democracy. Overlooking the

issue further leaves the defence of democracy to the dogmatisms of liberal democrats, who excel at misrepresenting and de-contextualizing many of the left's actions. The lacklustre (and sometimes, horrifying) experience of actually-existing socialism with regard to democracy – liberal, participatory or otherwise – indicates that electoral politics and liberal democratic institutions should not be dismissed so cavalierly. The new left regimes need to be criticized no less than the old, but the critique should focus on finding solutions to building popular hegemony and power within a democratic framework.

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REVIEW ESSAY

The Canadian Parliamentary Crisis of 2008-09: Searching for a Left Response

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Russell, Peter H. and Lorne Sossin, eds. 2009. *Parliamentary Democracy in Crisis*. Toronto: University of Toronto Press. ISBN: 978-1-4426-1014-9. Paperback: 24.95 CAD. Pages: 201.

Topp, Brian. 2010. *How We Almost Gave the Tories the Boot: The Inside Story Behind the Coalition*. Toronto: Lorimer. ISBN: 978-1-55277-502-8. Paperback: 24.95 CAD. Pages: 192.

Is it time to abolish Canada's ties to the monarchy? Can we move beyond "responsible government" and parliamentary democracy? These are questions raised, perhaps indirectly, by these two books.

Following the October 2008 federal election, Canada experienced a remarkable series of political events. Faced with the threat of a non-confidence motion and the prospect of a Liberal-New Democratic Party (NDP) coalition supported by the Bloc Québécois (BQ), Prime Minister Stephen Harper sought and received the prorogation of Parliament after it had sat for a total of only thirteen days. Once Parliament reconvened seven weeks later and the Conservative minority government introduced its budget, the Liberals blinked and the coalition fell apart.

Thus, with Governor General Michaëlle Jean's acquiescence, Harper's Conservative minority government was able to dodge the non-confidence threat and carry on, subsequently winning a majority government in May 2011. This episode raised serious questions about the practice of responsible government and the role of the governor general (GG). Apart from these constitutional issues, the proposed Liberal-NDP coalition was an unprecedented partisan development in federal politics. These two books examine these events by focusing on one aspect of the crisis, namely the constitutional and the partisan. In doing so, they provide much to reflect upon, but wider issues remain unexamined.

Peter H. Russell and Lorne Sossin have assembled an impressive roster of scholars to address the constitutional aspects. Former Governor General Adrienne Clarkson provides a short but interesting foreword. She

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doesn't directly address the 2008-09 events, but decries the "abysmal lack of knowledge about the system" exhibited by the public and the media (ix). This becomes a major refrain throughout the book.

In his chronology of the events, journalist Michael Valpy questions whether they deserve to be called a "crisis." As Valpy describes, "The country at no time was at risk of tumbling into bedlam and anarchy. Whatever the governor general's decision, someone would have been given her nod to govern Canada legally; unless, of course, no political party or group of parties could claim Parliament's confidence, at which point she would have authorized another election to be called. That is how the system works" (4). In a sense, Valpy is correct.

Framed differently, however, Andrew Heard argues that the extent of the public and media miscomprehension of responsible government,[1] the confidence convention[2] and the role of the governor general,[3] suggests that it was "quite worthy of being called a crisis" (47). The seeds of this crisis predate the Harper government. Gary Levy points out that these events were "the culmination of repeated abuse of the most important principle of responsible government, the confidence convention" (19). Paul Martin's Liberal minority government repeatedly postponed opposition days to avoid potential non-confidence votes in April and September 2005 and continued to govern after it lost two votes that the opposition considered confidence measures.

The ability of Martin and Harper to play fast and loose with the principle of responsible government is undoubtedly related to this lack of understanding of our system of governance. Most of the contributing

[1] The basic definition of responsible government is "government by a cabinet answerable to, and removable by, a majority of the assembly" (Forsey 2010, 3).

[2] "If the House of Commons votes want of confidence in a cabinet, that cabinet must step down and make way for a new government formed by an opposition party (normally the official Opposition), or call an election right away so the people can decide which party will govern." (Forsey 2010, 27).

[3] The *Constitution Act, 1867* (formerly the *British North America Act*) does not mention the prime minister, cabinet or responsible government. It outlines a system in which executive power is held by the governor general, acting on behalf of the Queen, but with the advice of the Queen's Privy Council for Canada which is itself summoned (and removed) by the governor general. Guided by constitutional conventions, executive power has in fact been wielded by the prime minister and cabinet. The GG's role is thus highly, but not completely, ceremonial. "The Governor General and the lieutenant governors have the right to be consulted by their ministers, and the right to encourage or warn them. But they almost invariably must act on their ministers' advice, though there may be very rare occasions when they must, or may, act without advice or even against the advice of the ministers in office" (Forsey 2010, 33).

authors agree that Harper benefited from, and cynically contributed to, this state of affairs. Thus, Lorraine E. Weinrib's argues that "Harper played on the ignorance of the Canadian public as to the constitutional framework within which our parliamentary system of government operates" (67).

In fact, it was Harper's actions and rhetoric that precipitated the crisis. Certainly, it was the content of the Conservatives' *Economic and Fiscal Update* on 27 November 2008 that led to the proposed coalition. As the global economy plunged into a major recession, the government decided to suspend the right to strike for federal public sector workers, eliminate legal channels for federal public sector workers to enforce pay equity rules and scrap public subsidies for political parties. These actions were apparently included in the government's financial update due to the direct intervention of the prime minister himself (see also Savoie 2010, 132). Meanwhile, the government offered no economic stimulus and even forecast a small budgetary surplus over the next two years.

None of this, of course, amounts to a crisis. The government was fully within its rights to introduce a contentious fiscal update. The Liberals, NDP and BQ were also within their rights to work together to defeat the government and replace it with a governing coalition supported by a majority of MPs. Had the opposition defeated the government and formed a government, or had the government marshalled sufficient votes to defeat the non-confidence motion, one could say that rather than being a crisis, the system of responsible government had worked. Non-confidence votes are not a crisis, but responsible government in action.

The situation only reached an actual crisis point when the prime minister misrepresented the actions of the opposition parties and sought the prorogation of Parliament. Harper argued that "Stéphane Dion does not have the right to take power without an election" (11) and described the coalition as an "undemocratic seizure of power" and "an illegitimate government" (13). In his televised address on 3 December, Harper stated that "the Opposition does not have the democratic right to impose a coalition with the separatists they promised voters would never happen" (15). All of these statements are blatantly wrong and misleading interpretations of the Westminster model of parliamentary government.

Then, in asking Michaëlle Jean to prorogue Parliament, Harper placed her in a very awkward position. By constitutional convention, the GG normally follows the advice of the prime minister, but this request was designed to undermine another constitutional convention. By seeking to close down Parliament in order to avoid a non-confidence motion, Harper was subverting the principle of responsible government.

While critical of Harper's actions, the authors are divided in their reaction to the governor general's decision to grant the prorogation of Parliament. C.E.S. (Ned) Franks supports the GG's decision, as do Jean Leclair and Jean-François Gaudreault-DesBiens. Franks points out that "no governor general has ever refused a prime minister's request for prorogation" (33). In this specific case, he points to the fact that the Conservatives were able to sway public opinion against the proposed coalition. Perhaps public opinion did influence the GG's decision, making it easier for her to defer to the prime minister rather than take the bold step of refusing the request. But does that make it the right decision from a constitutional perspective? Franks suggests that if he was refused prorogation, Harper would have waged a political campaign against the governor general. Again, this sort of logic hardly justifies the granting of prorogation.

Taking a different stance, Lorraine E. Weinrib avoids the question of whether the GG should have refused the prime minister's request, instead placing the blame on Harper for making the request. Andrew Heard agrees that Harper's prorogation ploy was "unconstitutional" (54) and "a fundamental abuse of power" (55), however, he also argues that the GG could have, and should have, refused the request. Heard insists that the governor general "had a duty to ensure that Parliament continue sitting" in order to allow MPs "to pass judgement on the government" (59). Brian Slattery similarly notes that "the principle of responsible government is not self-administering. It requires the active participation – indeed intervention – of the governor general" (87). While understandable from the perspective of the British parliamentary tradition, this position is ultimately unsatisfying from a socialist perspective, for reasons I'll outline below.

Shutting down the House of Commons was only one aspect of Harper's survival strategy. He also engaged in an aggressive attack on the proposed coalition. Minority parliaments and coalition governments are topics taken up by various authors. Lawrence LeDuc provides an introduction to coalition governments in seven other countries.[4] The underlying message being that coalition governments are a common occurrence in multi-party democracies and, to quote Graham White, "not

[4] Since the publication of the book, a coalition government has been formed in Britain following the 2010 general election. As Britain headed toward an expected minority parliament, Canada was cited and studied as an example of a "dysfunctional minority parliament" to be avoided rather than emulated (see Chalmers 2009).

the devil's work" (154). Unfortunately, a similar overview of coalition governments at the provincial level in Canada is not forthcoming (but see Marchildon 2006). As LeDuc points out, coalitions are a "practical alternative" in a minority situation offering stability and a broader base of support thus being more representative of public opinion (132). The other authors agree on these positive features, however, they don't really address how a coalition government might come to exist in Canada. It might make sense, but that doesn't mean it's going to happen. In fact, coalition governments have probably been made less likely by the controversial events of 2008-09.

The editors in their introduction and David R. Cameron in the concluding chapter take an optimistic view of the outcome of the prorogation crisis. Despite their real concerns, Russell and Sossin suggest that the crisis sparked beneficial levels of interest and debate over our political system.[5] Cameron argues that the Conservative government had to back down from the controversial aspects of their fiscal update and produced a budget that reflected the demands of the opposition. Thus, the system worked. Yet, considering the damage done to the principle of responsible government, it is hard to share this optimism.

In *How We Almost Gave the Tories the Boot*, Brian Topp provides a political take on the prorogation crisis. An NDP insider, he presents an engaged and partisan analysis. He acknowledges that his goal is to "balance the books" (15) and keep the coalition option open for the future. While focused on the events of 2008-09, he provides interesting autobiographical anecdotes from an active career in politics as deputy chief of staff to Saskatchewan Premier Roy Romanow, head of the federal NDP campaign war room and national campaign director. Along the way, he provides an engaging read and many insights on the political process and politicians including Romanow, Jean Chrétien, Stéphane Dion and Bob Rae.

Topp makes it clear that the NDP had a long-standing interest in the possibility of coalition government. During the 2004, 2006 and 2008 election campaigns, with the likelihood of minority governments, the NDP considered all options for obtaining some direct influence in Parliament, keeping in mind the Ontario Liberal-NDP accord of 1985 and coalition governments in other countries.

[5] Despite the possibility or threat of another coalition and the unprecedented rise of the NDP during the campaign, voter turnout moved only marginally upward to 61% of registered voters in the 2011 election.

After the 2004 election, Layton approached Prime Minister Paul Martin about working together. Without the balance of power, the NDP lacked leverage. Eventually, the NDP joined talks which had already begun between Harper and Duceppe. Together, a package of amendments to the Throne Speech was developed. On 9 September 2004, the three opposition leaders sent a letter to Governor General Adrienne Clarkson describing their "close consultation" and calling upon her to consult with them in the context of a request for dissolution (34). Harper was poised to become prime minister with Bloc and NDP support.[6] Ultimately, Layton decided not to support Harper becoming PM and the NDP soon worked with Martin, influencing the 2005 budget.

During the 2006 campaign, the NDP looked for policy grounds to work with either the Conservatives or the Liberals. They thought that Harper might support electoral reform in exchange for support on justice and accountability issues, but again, the NDP did not gain the balance of power. By the 2008 campaign, Layton was intent on "turning the tables on Mr. Harper by using Harper's own proposed parliamentary manoeuvres to replace him" (46-47). During the campaign, Layton openly mused about working with the other parties to defeat the Conservatives and by election night, the NDP had prepared letters for Dion and Duceppe proposing cooperation. Clearly, the NDP was working to build a coalition well before the *Economic and Fiscal Update*.

Topp explains the NDP's motives in terms that are alternately banal and revealing. He claims that "For the New Democratic Party of Canada, these events were in essence pretty much what they appeared to be: a good attempt to rid the country of a Conservative government and to replace it with something better" (177). Layton saw the opportunity to achieve "Canada's first partially NDP federal government – his basic goal as federal leader" (69). More revealing is Topp's admission that "I liked the idea that the federal NDP would have a direct role in the government for many reasons, a key one being that it would change the federal NDP, by giving it direct exposure to the realities of government" (123). This is an interesting insight into Jack Layton's NDP and the attempt to turn it into a pragmatic party of government, particularly now as it settles into its new role as the Official Opposition.

[6] In the 2011 federal election, Harper warned voters of an opposition coalition, while the other leaders, in particular, Duceppe insisted that Harper's anti-coalition rhetoric was hypocritical considering these past efforts at Conservative-NDP-Bloc cooperation.

Topp provides an inside account of the coalition negotiations. The NDP aimed for one-third of cabinet with the hope that this "would provide us with a regionally balanced team of experienced NDP ministers that Canadians would be able to imagine running the country, perhaps in a larger role after the next election" (82). In policy terms, the NDP sought measures to deal with the economic downturn (financial stimulus, infrastructure spending, sectoral aid to the manufacturing and forestry sectors, improvements to EI), increased child benefits and child care, and a commitment to discuss a North American cap-and-trade system. The NDP downplayed corporate taxes and the Afghanistan mission, two important areas of policy differences with the Liberals. Interestingly, Topp writes that "we wanted the policy accord to spell out the New Democratic Party's commitment to fiscal responsibility…That meant a commitment that the budget would be rebalanced once the economic crisis was mastered" (126).

The NDP was remarkably comfortable with the idea of Stéphane Dion becoming prime minister. As Topp admits, "the idea of making Dion prime minister seemed less ludicrous to some of us than it seemed (as it turned out) to many other Canadians" (80). He points to the popularity of the Clarity Act among many New Democrats, glossing over Layton's own misgivings. That said, having previously announced his resignation, the NDP expected Dion to be replaced as leader. As it happened, the Dion camp saw the coalition plan as a second chance, a way to salvage his leadership. If the coalition offered Dion the hope of a potential lifeline, the reality was that Dion, in return, weighed the coalition down like an anchor.

As one would expect, Topp is highly critical of Harper's actions. He argues that it was "entirely inappropriate, democratically illegitimate, and improper in 2008 for the prime minister to direct an appointed official, the governor general, to instruct the majority in the House of Commons on when it can sit or what business it can conduct, so that the prime minister could avoid a confidence vote" (182). Topp insists that the prime minister must respect the principles of responsible government. At the same time, he is careful not to criticize the GG's decision. Without taking a position on the reserve powers of the Crown, he suggests that "if it is true that the governor general must do the prime minister's bidding, then a heavy responsibility lies on the prime minister to tender 'advice' to her that is appropriate, democratically legitimate, and proper" (183). Like Andrew Heard, Topp considers the prorogation, in the context of a threatened non-confidence vote, to be a dangerous precedent.

Some of Topp's other criticisms of Harper are surprising. Topp portrays the Conservative proposal to end public subsidies to the political parties as an "attempt to reintroduce big money to federal politics" (18) however, the Conservatives are not proposing to increase the personal contribution limits (currently $1000) or allow corporate contributions. Rather than trying to defend the subsidies as good public policy (if they are) or pointing to loopholes in the current regulations, Topp misrepresents Harper's position. Such a stance isn't likely to convince anyone.

As well, Topp blames Harper for pursuing "high-deficit" policies (52) and for "throwing money at old infrastructure projects" (180). In light of the NDP's demands for stimulus spending, this rings rather hollow. Certainly, some Conservative spending (on prisons, military jets and the G-20 summit) and the corporate tax-cuts should be criticized but Topp's blanket condemnation of deficit spending is overblown and self-defeating. Topp still refers favourably to the 2005 "NDP budget" passed by the Liberals that contained massive military spending increases (36). Does the NDP support military spending but not infrastructure spending? Overall, the NDP that Topp describes is a mildly centre-left party intent on winning elections and influencing public policy, nothing more and nothing less.

Finally, one must note Topp's swipes against public sector unions. Pointing to the 1999 nurses' strike in Saskatchewan and the 2009 municipal workers' strike in Toronto, he argues that, "Public-sector bargaining is one of the progressive left's proudest achievements in Canada. It is also perhaps our greatest gift to the political right, who lie in wait for it to destroy our government, and then often find ways to outlaw it when they rule" (30). Presumably public sector workers should help elect NDP politicians and then thankfully accept whatever thin gruel is offered in return.

These two books provide a very useful discussion of the prorogation crisis. The reverberations from these events continue to be felt. The coalition continued to be debated and misrepresented during the May 2011 federal election. Questions about it dogged Ignatieff while Harper was seemingly successful in appealing for a stable majority government to avoid another minority government or an NDP-Liberal coalition. It is notable that two of the three parties that cooperated in an attempt to defeat Harper experienced historic defeats, while the NDP achieved a major breakthrough. Layton has succeeded in making the NDP a credible challenger for government, yet it is increasingly difficult to determine what his party stands for.

The election of a Conservative majority government (with approximately 40% of the vote), has pushed questions about the coalition government and the GG's power off the immediate agenda. Yet, the underlying issues remain unresolved. Political scientists and constitutional experts bemoan the lack of public understanding of our British parliamentary system. The message is that the system is fine but the people are ignorant and inattentive, allowing someone like Stephen Harper to abuse his power. Ultimately, however, this is a conservative and traditionalist perspective that ignores the limitations of our system. Indeed, many coalition supporters were reduced to defending the reserve powers of the Crown and clinging to the hope that the governor general would say no to the prime minister. If this didn't make leftists squirm, it should have. Rather than educating the public about the glory of the British parliamentary tradition, perhaps it is time to think about moving on to modernize and democratize our political system.

The role of the monarchy, as a colonial and undemocratic anachronism, should be questioned not reinforced. Rather than quoting chapter and verse from Eugene Forsey[7] to support the discretionary powers of the governor general, the Left should sympathize with those Canadians uncomfortable with power wielded by an appointed official on behalf of the Crown. To his credit, Topp briefly mentions "replacing the governor general with a legitimate, accountable president elected by the House of Commons" but points to the difficulty of amending the constitution (183).

In general, proposals for reform in the face of the prorogation crisis have been remarkably timid and this is true for the contributions to *Parliamentary Democracy in Crisis*. Lorne Sossin and Adam Dodek call for transparency insisting that "the public has a right to know the basis for the prime minister's request as well as the reason or reasons for the governor general's decision granting the request" (91). Peter Russell and Lorraine E. Weinrib argue that it is time to clarify and perhaps codify the constitutional principles of our parliamentary democracy. Such tinkering is well-intentioned and likely beneficial, but would do little to democratize the status-quo.

[7] A constitutional expert and an ardent monarchist, Forsey was also a social democrat and a member of the League for Social Reconstruction and the Cooperative Commonwealth Federation. He split with the NDP after it recognized Quebec as a nation in 1961and later became a Liberal Senator.

Graham White strikes the right tone in pointing out that "the great pity of the failure of the coalition initiative lies in the missed opportunity it represented for leading the way to substantial and much-needed progress towards real parliamentary reform" (150). He rightly asks (151), "does anyone seriously think that Parliament ain't broke?" Yet, rather than demanding radical change, White argues that the formation of a coalition government would be useful precisely for demonstrating the flexibility of the current system. He refers to the "genius" of responsible government and describes himself as "an unabashed fan of the Westminster system of cabinet-parliamentary government…one of the greatest political inventions of all time" (153, 159). Ultimately, he falls back to a position that decries public "misunderstanding" and "ignorance" (153, 154).

For their part, Leclair and Gaudreault-DesBiens point to a deeper "crisis of representation" (111). They argue that "there is an increasing disconnect between Westminster-style parliamentary democracy and the citizens' understanding of democracy" (105-106). They do briefly question the monarchy's role in Canada and they present the possibility of "changing our democratic system altogether and undertaking a major constitutional overhaul" (118). These are ideas that need greater exploration and practical development.

Neither the social democratic left in the NDP[8] nor the broader left[9] in Canada has focused much on these issues beyond the on-going campaign for electoral reform. Replacing the single-member plurality system remains as fundamental as ever, as evidenced by the May 2011 federal election, but it also remains insufficient. Unfortunately, imaginative left contributions to discussions of democratization and institutional reform remain few and far between (e.g. Resnick 1984; Albo, Langille and Panitch 1993; Rebick 2000; Evans 2006). The immediate context of the prorogation crisis has passed, but the need to think more deeply about genuinely radical proposals for democratic participation and governance remains.

Finally, while there can be little doubt that a Liberal-NDP coalition would have been perfectly legal and politically preferable to a Conservative government (minority or majority), such a coalition would have been, at

[8] One exception is the fact that the CCF/NDP has, since the Regina Manifesto of 1933, advocated abolishing the unelected Canadian Senate.

[9] Despite the continuing relevance of Marx's discussion of the Paris Commune of 1871 (in *The Civil War in France*) or Lenin's conception of "dual power," the Marxist tradition has little to say about transcending the limits of contemporary liberal democratic institutions.

best, a mildly left of centre government in no position to challenge neoliberalism or democratize the political process. The socialist left should not ignore parliamentary politics, but rebuilding the left in Canada must also take place beyond the parliamentary arena.

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BOOKS REVIEWED

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Braedley, Susan and Meg Luxton, eds. 2010. *Neoliberalism and Everyday Life*. Montréal and Kingston: McGill-Queen's University Press. ISBN 978-0-7735-3692-0. Paperback: 29.95 CAD. Pages: 241.

Reviewed by Judy Haiven
Saint Mary's University

The following two quotations bookend the latter part of the 20th century. The first is by public policy advisor to the Canadian government, Leonard Marsh. He argued for the formation of a vigorous welfare state. In his 1943 *Report on Social Security for Canada*, Marsh noted that wages—even good wages—were not enough to provide security for most Canadians,

> It is impossible to establish a wage that will allow every worker and his family to meet the heavy disabilities of serious illness, prolonged unemployment, accident and premature death. These are budget shattering contingencies that strike most unevenly (Braedley and Luxton 2010, 187).

Forty-four years later, in 1987, then British Prime Minister Margaret Thatcher advanced her neoliberal ideas with this:

> Who is society? There is no such thing! There are individual men and women and there are families and no government can do anything except through people and people look to themselves first (Keay 1987, 8-10).

Canada's welfare state was never as robust as Marsh had envisioned it. And Thatcher's words are now echoed by our own PM, Stephen Harper. In fact now, more than a decade into a new century, progressive social critics often note that Canada's welfare state, which was never as robust as Britain's, shows signs of more weakening.

Canada, along with the rest of the developed world, is deeply mired in neoliberalism, which Raewyn Connell (in her chapter "Understanding Neoliberalism") describes as the new "common sense of our era" (23). Neoliberalism is an economic process that celebrates the free market, frees up capital markets, deregulates banking and currency exchange and seeks to privatize much of what was formerly in the public sphere such as education, health care, social services, eldercare, childcare and even water.

Neoliberalism and Everyday Life locates neoliberalism in relation to what is important to most Canadians. Each chapter examines the neoliberal challenge in fundamental areas, such as the security clamp-down on the Canada-US border (the chapter by Karine Côté-Boucher), the racialization and deterioration of labour standards (Mark Thomas), the lack of support

for childcare (Kate Bezanson), and the scarcity of assistance for the most marginalized.

For example, Paula Pinto's chapter, "Beyond the State: The Making of Disability and Gender under Neoliberalism in Portugal," is both touching and informative. She interviewed 21 women in Lisbon who are mothers and are disabled. While Pinto's study is not large, it is rich in detail and perception. In Portugal, disabled women have very high rates of unemployment, less education and less access to community resources than other citizens, including disabled men (114). In Canada, the situation is similar. In 2006, the unemployment rate for the disabled was 10.4% while it was 6.8% for the able-bodied; there are no recent figures for disabled unemployment during the current recession, but it is estimated to be 14.7% (NJN Network 2009). In 2001, Canadian disabled women had an average income of $17,230 per year, while disabled men's income was $26,890. Compare their incomes with the average male salary of $36,865 per year (CRIAW 2006).

Pinto's chapter invites a comparison with a new Canadian book, *Maternity Rolls: Childbirth and Disability* (Fernwood, 2010) by Heather Kuttai, a disabled woman and a mother of two children. As in Pinto's chapter, Kuttai writes about the doctors and hospital staff's negative and unhelpful reaction to her – a paraplegic – having a baby. Kuttai concurs with Pinto's description that disabled women

> were not expected to live sexual and reproductive lives … they were regarded as childlike, asexual beings without desire or the ability to mother. The neoliberal state was complicit with, and reinforced, this view (Braedley and Luxton 2010, 125).

Pinto and Kuttai criticize the bureaucracies in hospitals and social services and how they deal with disabled mothers.

Another important chapter is Susan Braedley's "Accidental Health Care: Masculinity and Neoliberalism at Work." She studied the fire service in Toronto and a smaller centre. She explains that the fire service is not typically subject to neoliberal restructuring because firefighters must respond to accidents and prevent "loss of life and loss of property value" (139). Therefore, cuts to the fire service are not easy to make: for example there is no way to employ firefighters on a casual, a contractual or a part-time basis, or limit the scope of their services.

Braedley notes that one aspect of the neoliberal agenda is to intensify work. Since much of the firefighters' day is spent training, checking equipment, cleaning, sleeping and cooking, there is a perception

there is considerable "down" time. So, since the 1980s, Toronto firefighters' remit has also included responding to medical emergencies, doing search and rescue work and disposing of hazardous waste. In 2006, just over 50% of Toronto firefighter responses were for "medical" reasons – not always connected to a fire (139). In fact, though not trained in social work, treatment of chronic illnesses or elder care, firefighters are called as first responders to 911 emergency calls in the "absence of other [public] services" (146). For example, septuagenarian "Maisie" called 911 frequently worried about her shortness of breath --which it turned out was caused by chain-smoking. Firefighters dispatched to her apartment, found she needed "company, reassurance and breathing support" (147). Though they were not trained to do this kind of care, increasingly the firefighters found these kinds of calls were becoming a bigger part of their jobs. These jobs previously done primarily by women social workers, aides and caregivers had been cut or cut back due to the neoliberal agenda.

All the chapters in this book find fault with the buzzwords of neoliberalism: choice, autonomy and responsibility. However, Meg Luxton's chapter "Doing Neoliberalism: Perverse Individualism in Personal Life" was quite special. She points out that the progressive movements of the 1960s and 1970s organized to fight discrimination against (and to fight for the equality of) marginalized groups such as women, visible minorities, immigrants, the disabled, gays and lesbians. She says these groups argued for policies which would "eliminate the privileging of … [various]… family forms" (165). Progressives argued that in order to level the playing field, there had to be shared or collective responsibility to assist with affordable childcare, homecare, housing, and extended health care such as dental care. They demanded that the costs should be carried by increased taxation on corporations and the rich.

Luxton explains that neoliberalism and the new right did not merely attack the "old" welfare state benefits already in place but argued against their expansion into new areas. She cites Raewyn Connell's idea (chapter 2) that for neoliberalism to "win" it had to reinforce the "sexual division of labour, nuclear family forms, private responsibility for individual wellbeing" as well as the "racialized division of labour that anchors racism" (166).

This seems both chilling and accurate. In Canada, several provincial governments as well as the federal government have taken this stand. Governments of all stripes have cut welfare assistance rates, made it harder to get unemployment benefits, wiped out government funding for new social housing projects, and have not created the necessary child care

spaces to expedite women's entry into the labour force. *Neoliberalism and Everyday Life* is a good book, which explains the poisonous effects of neoliberalism which touch all Canadians' lives.

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Reviewed by Larry Patriquin
Nipissing University

To begin, a confession: what I know about Southeast Asia you could write on the head of a pin and still have enough room remaining to house an assortment of angels. My interest in Scott's work is that it is about the state and, most intriguingly, about various peoples who for centuries have been, in effect, running from states, avoiding them at all costs.

The area under study is "Zomia," sometimes referred to as the Southeast Asian *massif*, roughly 2.5 million km^2 stretching over a number of countries (including contemporary Burma, Cambodia, China, India, Laos, Thailand and Vietnam). Most of its roughly 100 million residents (including the Hmong, Kachin, Karen, Lahu, Lisu, Miao, Shan, Wa and Yao/Mien) live 300 or more metres above sea level in small, egalitarian social units.

Since the middle of the twentieth century, Zomia has been incorporated into a number of nation-states, especially those in search of natural resources, with governments guided by ideologies as diverse as communism and neoliberalism. Prior to World War II, however, the peoples of Zomia were never integrated for any length of time into states, into "civilizations."

Focusing on the period after c.1500, for which documentation is more readily available, Scott argues that, for well over a thousand years, hill-dwelling groups have "been fleeing the oppressions of state-making projects in the valleys" (ix). He maintains that hill-dwellers should not be viewed as members of historyless communities that roamed from place to place, with no political institutions, left behind by progress. In contrast, if we see them as anti-state peoples, we will be able to better understand their culture, agriculture and social structures. Writing in opposition to "state-centric histories" (36), Scott proposes instead a "history of those who got away" from the state, which "is also what makes this [book] an anarchist history" (x).

From their first appearance c.500 A.D. to the late nineteenth century, states in Zomia were relatively small, because they could not expand much beyond the limited areas in which they produced food, in particular, irrigated rice. From the perspective of these "padi states," monoculture "was easier to monitor, assess, and tax than one shaped by agricultural diversity" (75). But the peoples who lived this way, attached to land, were vulnerable – and they knew it – which is why in this part of the world, when taxes, corvée labour, wars and other burdens became excessive, great numbers headed for the hills, so they could be outside the reaches of the state, primarily the Han-Chinese state.

States tried to incorporate non-state peoples living nearby via wars and raids, turning those captured, for the most part, into slaves. The men and women trapped in such societies had few choices except to take flight, since open rebellion was risky. Once in the hills, they made it difficult for institutionalized exploitation to take root, by hunting, fishing and foraging, and especially through their use of swidden (slash-and-burn) agriculture, working a series of scattered plots. Their livelihood produced "the basis of a diet that could be shielded from state appropriation" (200).

The peoples of Zomia used various additional strategies in their struggles against states, including murdering aspiring chiefs in order to maintain egalitarian social structures; creating complex ethnicities that frustrated the categorization efforts of colonial officials; learning to speak two or three (or more) languages, so they could move frequently and blend in to other "societies"; and summoning prophets who in times of crises could lead their followers to safer places, promising "a new world of equality, peace, material abundance, and autonomy from outside rule" (291).

One of the most interesting of Scott's arguments is found in the brief Chapter 6½ ("Orality, Writing, and Texts"), where he makes the tentative

suggestion that some peoples (if not in reality, then at least in tribal myths and legends) had writing at a point in their history, but their writings were either lost – occasionally texts were said to have been eaten by animals – or were stolen from them and destroyed. After such apparent débâcles, they elected to remain non-literate because they associated states with writing, especially household censuses and other forms of record-keeping that bolster states' efforts in procuring an economic surplus. In highland societies, literacy served no purpose; indeed, it was a potentially dangerous practice. Non-literate peoples typically have been viewed as barbarians; Scott suggests they were much more astute than they have been given credit for.

Those not familiar with the history of Southeast Asia, like myself, are bound to get lost in the narrative from time to time. Scott moves frequently between a dizzying array of peoples, cultures and locales, from one century to the next then back again. It cannot have been easy to organize the material for this study, and the occasional feeling of disorientation on the part of the reader is a slight drawback of the book. Furthermore, while well written, there seems to be a fair amount of repetition throughout, perhaps a result, again, of the subject matter; this volume could have lost some of its heft without affecting the heart of the argument or its defence. Be that as it may, *The Art of Not Being Governed* has done its job well, inspiring me to investigate more deeply the types of societies examined by Scott. A good place to begin would be two books he cites frequently as being among his major influences: Edmund Leach's *The Political Systems of Highland Burma* (Harvard University Press, 1954) and Pierre Clastres' *Society Against the State* (Zone, 1987).

Scott ends by noting, in passing, that we can no longer evade the state; our only option is to tame it (324). Even if it were over just a handful of pages, I would have welcomed some development of this view. From an anarchist perspective, what do the experiences of Zomians tell us about taming the state? The answer to this question is not clear. What I took from the book is that if we will always require a state – and a large and complex one at that – we must pay close attention to how the institutions of that state are structured. In discerning what our ideal state (and our ideal society) would look like, we need to ask: given a choice, would significant numbers of people pursue an exit strategy, leaving for something, that from their perspective, is both viable and preferable, or would they be mostly content to remain where they are? Come to think of it, that is a question that can, and should, be posed to all those with grand plans, regardless of where they place themselves on the political spectrum.

Soederberg, Susanne. 2010. *Corporate Power and Ownership in Contemporary Capitalism: The Politics of Resistance and Domination*. London: Routledge. ISBN 978-0-415-46788-9. Paperback: 41.95 CAD. Pages: 195.

Reviewed by Stephen McBride
McMaster University

This is a welcome addition to the literature on the role of corporate power in contemporary society. The main focus of the book is on the doctrine of "corporate governance" and the role it plays in the neoliberal system of power. The implications of dispersed share ownership, the role of institutional investors like pension funds and various forms of shareholder activism, as examples of "inside" resistance to corporate power, all receive detailed attention.

The idea of corporate governance posits the need for alignment of the interests of company managers with those of their principals (the shareholders or owners of the firm); if this goal is fully realised then the doctrine holds that internal corporate politics could be viewed as democratic. The corporate governance doctrine rests on the premise that that ownership and control of the modern corporation have become separated and need to be realigned. Soederberg's main objective is: "to question and deconstruct the hegemonic position of corporate governance theory and practice so that its capitalist nature, paradoxes and relations of power may be exposed, scrutinized and, thereby, repoliticized" (4). One element in this project is the observation that even active shareholders, like the pension funds that own major proportions of stocks and shares, seem to have only a modest impact on corporate decisions. Nor are active shareholders much aided by the state, which extends little legal support to their endeavours.

Primarily using the US as her case, Soederberg explores the pattern of pension funds and notes a trend to privatization of pensions, comprising both the expansion of private plans at the expense of state provision and the conversion of defined benefit into defined contribution plans. With the first transfer, corporations acquire "social security capital" to augment their resources in participating in financial markets; with the second, risk is transferred from the corporation to the individual. In this process, the neoliberal state plays a central role in facilitating the transfer of pensions and pension funds into the market arena. Soederberg is especially insightful in her analysis of the ideological rendering of this transfer of risk

to individual citizens. The concept of an "Ownership Society" advanced by, but by no means confined to, the Bush administration, depicts a state pensioner as dependent on government largesse, whereas in the Ownership Society workers control their own retirement savings. On the one side are rights, entitlements and a safety net; on the other, opportunity, choice and freedom. In the context of US political culture, this is a powerful appeal and is apparently undented by the fact that the Ownership Society's main beneficiaries have proven to be high income families and the Wall Street firms that handle investments.

The discourse of corporate governance took off in the 1980s, but one of its core assumptions, the idea of a separation of ownership from control, has a much older history. The dispersion of share ownership, well beyond the ranks of those who control its day to day management, has long been noted. In its modern form, the thesis that control has become separated from ownership goes back until at least the 1932 book by Berle and Means, *The Modern Corporation and Private Property*. In Chapter 4, Soederberg critically examines the ownership/control issue and the extent to which it has, from its inception, led to manipulative ideological arguments. Its proponents have always declined to engage with critical scholars who rejected of many of the empirical claims made on behalf of the separation of ownership and control. Critics posited that dispersed share-ownership actually concentrated real economic power in the hands of small ownership blocks that were able to gain access to other people's money without sacrificing overall control (Carroll 2010, 5-7). The convenience of the separation argument for the holders of concentrated wealth is obvious, but the consequences of the theory went far beyond this. It supplied, for instance, a rationalization for social democracy's post-World War II departure from policies of nationalization of industry. After all, if actual power in corporations rested with a bureaucratic-managerial cadre, with efficiency and social responsibility amongst their motives, rather than a dispersed group of shareholders, why not regulate the former rather than take into public ownership the shares of the latter (Crosland 1956)? Similarly, these concepts could be used to rationalize neo-corporatist arrangements institutionalizing state, business and trade union consultations and, sometimes, decision-making. So it is no surprise to see the concept get another outing in support of the corporate governance doctrine that is Soederberg's subject. What is more surprising is the lack of theoretical attention that has been paid to the doctrine of corporate governance itself, a neglect that Soederberg's timely book does much to repair. Among the conclusions that follow from her analysis are the

continued salience of class in understanding corporate power, something that the corporate governance doctrine serves to obscure; and in which even labour-led and other forms of shareholder activism, analysed in the final three chapters of the book, depoliticize resistance because they based on the faulty conceptual framework of corporate governance. Deconstructing this doctrine, as Soederberg does in this volume, in addition to the academic achievement it represents, potentially also provides a valuable service to activists.

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Reviewed by Ian Hussey
York University

I asked to review this book largely because of its main title. I wanted to know if this edited volume was going to uncritically reproduce the idea of a straightforward relationship between fair trade and social justice. Being familiar with some of the editors' previous research on fair trade, I thought that that was unlikely but one never knows. After reading the book, I'm glad that – pardon the cliché – I didn't judge it by its title or cover. I likely wouldn't have been so skeptical if the book's title included a question mark, but that certainly isn't necessary and turns out to be more of a difference in style than a major disagreement with the contributors' analyses of fair trade. The photograph on the book's cover – a close-up shot of a farmer's hands, worn and dirty, shaped into a cup and holding a bunch of ripe coffee cherries – resembles some of the advertisements for fair trade coffee that many researchers, including some of the book's contributors, have criticized for romanticizing producers and portraying them to largely middleclass "Global North" consumers as "deserving poor" in and through a commodification of difference. I don't know if the cover is

intentionally meant to be ironic, if I am reading too much into it, or if it is intentionally meant to attract book consumers and readers who are used to seeing those kinds of advertisements for fair trade (and non-fair trade) coffee.

Regardless, this book is a significant contribution to the anthropological case study literature on fair trade that will give yuppies and more radical fair trade consumers, researchers and activists alike something to think about. This collection will work well in undergraduate classes on anthropology, sociology, environmental studies, indigenous studies, co-operative studies and business and society, and I assume it will find its way onto the reading lists of some of the more engaged members of the fair trade movement. Having said that, I don't entirely agree with the claim by NYU Press that "There has been scant real-world assessment of Fair Trade's effectiveness", and hence this book fills that supposed gapping hole in the literature. There is far more published research on fair trade in the "Global South" than there is on fair trade in the "Global North," but this does include, on the one hand, a number of studies on the effectiveness, benefits and tensions of fair trade in particular producer communities tied to a number of different commodities and, on the other hand, the effectiveness and consequences of marketing fair trade to niche and mainstream consumers in the "Global North" and of fair trade activists' and certifiers' lobbying efforts to get transnational corporations to start selling fair trade certified commodities. This is not to say that there is no place for this collection, far from it.

This edited volume includes global ethnographies that investigate "the prospects and pitfalls" – to borrow a phrase from Gavin Fridell – of seeking social justice and environmental sustainability in and through market-driven mechanisms. This collection is a solid complement to two contemporary seminal books in the fair trade literature that it thoroughly engages with – Fridell's *Fair Trade Coffee* (University of Toronto Press, 2007) and Daniel Jaffee's *Brewing Justice* (University of California Press, 2007) – both of which concentrate on coffee. The real strength of *Fair Trade and Social Justice* is that it isn't just about coffee – not to say books solely on coffee aren't important – but it includes critical analyses of fair trade's effectiveness in a number of regions of the world, and a variety of global commodity chains, including those pertaining to coffee, bananas, cut flowers, tea and crafts. These investigations are not just about producers; as the book's contributors are aware of and have insights into the interconnectedness of producers, traders, certifiers and consumers.

The collection is divided into three parts: 1) "Global Markets and Local Realities: Regulating and Expanding Fair Trade;" 2) "Negotiating Difference and Identity in Fair Trade Markets;" and 3) "Relationships and Consumption in Fair Trade Markets and Alternative Economies." The book includes a few introductory pages before each of these three parts and an introduction at the beginning of the collection where the editors offer readers a fairly detailed history of fair trade in the context of neoliberal globalization. They explain that fair trade was first promoted as a statist regulatory model promoted by some United Nations member states and then more recently because of a number of geopolitical and historical events, fair trade has shifted into its various non-statist incarnations. The introduction also includes critical commentary on some of the paradoxes of non-statist fair trade in the context of neoliberal globalization. The concluding chapter by Jane Henrici, entitled "Naming Rights: Ethnographies of Fair Trade," helps to synthesize the material and pull out key themes.

Many of the essays in this collection view fair trade "as a form of 'shaped advantage' by which a limited number of producers enter the global market under more favorable terms, utilizing enhanced institutional capacity and marketing skills to tap into a growing niche market" (8), as opposed to more lofty claims that fair trade is a form of "alternative globalization" or "decommodification." While I generally agree with this assessment, I do want to give a quick nod with the little space I have remaining in this review to Kathy M'Closkey's chapter, "Novica, Navajo Knock-Offs, and the 'Net: A Critique of Fair Trade Marketing Practices." Discussions of fair trade and fair trade praxis rarely include and include reference to indigenous peoples from the so-called "developed world." Yet, as M'Closkey points out, Native American artisans' incomes have substantially declined throughout the last three decades because of the appropriation of their designs and "Unlike their counterparts in less developed regions, such as southern Mexico, Native American artisans are not benefiting from inclusion in the alternative networks promoted by the fair trade movement" (258). This needs to change, for far too long fair trade in white settler colonies like the United States, Canada, Australia and New Zealand has excluded the very indigenous peoples who have the right to those lands. And, ideally, this change in how fair trade is conceptualized and practiced will be tied in with indigenous land claims, struggles over sovereignty and struggles against the exploitation of natural resources by transnational corporations and neoliberal governments the world over.

Santucci, Antonio A. 2010. *Antonio Gramsci*. New York: Monthly Review Press. ISBN 978-1-58367-210-5. Paperback: 15.95 CAD. Pages: 207.

Thomas, Peter D. 2009. *The Gramscian Moment: Philosophy, Hegemony and Marxism*. Leiden: Brill. ISBN 978-90-04-16771-1. Cloth: 167.00 USD. Pages: 478.

Reviewed by Adam Hilton
York University

The fortunes of Antonio Gramsci as a Marxist thinker and Communist Party leader have been so curious it is worth foregrounding their recent past within academic and intellectual circles.[1] Particularly in the English-speaking world, Gramsci's popularity has undoubtedly only *increased* since the fall of the Soviet bloc, the advance of neoliberalism and the deeper disorganization of the Left. Such a phenomenon leaves us asking why it is that *this* Marxist revolutionary has been spared the same fate as Marx and Engels, who either have continued to be held in disrepute or, worse, been relegated to irrelevance. In this case, however, the exception proves the rule. The growth of the "Gramsci industry" in the past few decades has been due mainly to the fact that he is *not* typically read as a Marxist and a Communist. Indeed, as a "theorist of the superstructures" Gramsci is frequently promoted as an *alternative* to the crude economism of the Marxist tradition. In part due to the earlier instrumentalizations by the Italian Communist Party's (PCI) official postwar "Gramscianism," as well as the later academic interpretation of Gramsci's perspective as rooted in the trenches of a non-political "civil society," the Italian Communist thinker ultimately found a warmer reception in cultural studies than he did in either political science or sociology. Peter D. Thomas's fresh reassessment of the *Prison Notebooks* and the late Antonio A. Santucci's recently translated biography serve as important correctives to this non-political, "cultural studies" Gramsci.

Both Thomas and Santucci are emblematic of the "philological turn" steadily gaining momentum in Gramscian studies since the 1975 Italian publication of Valentino Gerratana's critical edition of Gramsci's *Prison*

[1] This review has benefited enormously from the generosity of comrades and teachers alike. I especially want to thank David McNally, Paul Gray, Jeremiah Gaster, Stephen Hellman and Greg Albo, whose advice and recommendations have done much to inform and improve the views laid out here.

Notebooks. His enhanced sensitivity to the literary construction of Gramsci's texts has done much to reverse the initial historical reception of his work. Following the end of the Second World War, Gramsci's prison writings were transported back from their wartime haven in the Soviet Union to Italy where, under the guidance of the PCI, they were thematically reorganized, repackaged and published as a completed work in six massive volumes. Gerratana's republication of the notebooks *as they were actually written* allows the reader to trace the formation and progression of Gramsci's categories as a work in progress. Since then, Gramsci's work, both before and during his incarceration, has been subject to careful reconstruction and elaboration, providing a more accurate depiction of the Communist leader and his thought.

The difference this interval of sustained scholarship has made can be gleaned from a comparison between Santucci's new biography (written in 1987, but just translated into English) and the long-standing classic, Giuseppe Fiori's *Antonio Gramsci: Life of a Revolutionary*, first published in 1965 (translated into English by Tom Nairn for New Left Books in 1970 and *still* in print from Verso). While Fiori's book is a standard chronological depiction of Gramsci's life, conveying the rich texture of his Sardinian childhood, the electric political atmosphere of Turin and the horrid nightmare of his later confinement, Santucci's account is organized according to the forms taken by the posthumous publication of Gramsci's writings, titling his chapters "The Political Writings," "The Letters From Prison" and "The Prison Notebooks." As a Gramscian philologist, Santucci's attention is thus divided between Gramsci's life and ideas as well as the precise literary form they took. It is not going too far to suggest that Santucci has written a biography of both Gramsci *and his texts*. This approach does a valuable service in reminding readers that understanding Gramsci's ideas is always double task: cutting through the labyrinth of Gramsci's notes on the one hand, while sifting through the manifold layers of (mis)interpretation on the other.

Equally important to note is that Gramsci's pre-prison "political writings" occupy the largest chapter of Santucci's biography. This is a vital corrective to the vast and ever-growing literature that has almost exclusively focused on exploring Gramsci's *Prison Notebooks* without equal effort dedicated to elaborating and integrating the politics of his earlier journalism. Indeed, the periodization of Gramsci's ideas into pre-prison and incarcerated phases must always be remembered to demarcate an exogenous and *forced* discontinuity in his life and political activity; his

prison sentence inducing a necessary intellectual reorientation rather than any "epistemological break" in his thought.

Santucci's book also includes other valuable tools, ideal for readers approaching Gramsci for the first time. In addition to short introductory remarks from Eric Hobsbawm and Joseph A. Buttigieg, the text is appended with a succinct chronology of Gramsci's life as well as a biographic glossary of the main historical and political figures that crop up throughout the book. Considering all the constraints of a small introductory text, the only real demerit of Santucci's book (and this criticism extends to his English translators as well) is that of all the intriguing passages extracted from Gramsci's writings and assembled throughout the text, not one citation is given for their location in the existing English editions. Oddly enough, Santucci's citations for the quoted passages of the *Prison Notebooks* are not even given in the standard international format (providing the notebook number, followed by the number of the note), but instead rely on the pagination of the specifically Italian edition of 1965. While this may not provide such a formidable obstacle for seasoned veterans of Gramsci's *Notebooks*, who are most likely already familiar with the select passages, it seems a puzzling curiosity for an introductory biography that ostensibly hopes to whet readers' appetites for more.

Citations notwithstanding, the translation of Santucci's *Antonio Gramsci* is likely to make a very important contribution to the ongoing attempt to capture how intensely political Gramsci's project was. While certainly not supplanting Fiori's classic account of Gramsci's revolutionary life, Santucci's book is a perfect compliment. Probably best read before Fiori, together the two provide the best introduction to Gramsci's life and work available in the English-speaking world.

Peter Thomas's intervention into the terrain of Gramscian studies (now available in affordable paperback from Haymarket) delivers a very severe blow to the "cultural studies" Gramsci who has become so familiar to western audiences. Thomas's intention to re-politicize and re-historicize Gramsci's project within the context of the Communist International (Comintern) is the book's singular achievement. The book neatly divides into two sequential threads. Firstly, Thomas offers a response to Perry Anderson's influential 1977 interpretation (in *New Left Review*) of Gramsci's political theory. Secondly, Thomas takes up Louis Althusser's criticisms of Gramsci's philosophy as laid out in *For Marx* and *Reading Capital*. Thomas's selection of targets is apt: Anderson and Althusser are not only towering intellectual figures in their own right, but it is precisely Gramsci's theory of the state and his philosophy of praxis that Thomas

claims to be the key concepts at the centre of the *Prison Notebooks*. Their displacement or occlusion by Anderson and Althusser therefore must be dealt with before the key perspective within the *Prison Notebooks* can be understood.

In addition to problematizing more than a few popularly held beliefs of the standard interpretation of the *Prison Notebooks* along the way (e.g. Gramsci's use of "code words" to evade the prison censor, such as "philosophy of praxis" as a synonym for Marxism or historical materialism), Thomas attempts to present Gramsci's prison research project as having a much greater internal coherence than is often argued. What is typically said is that Gramsci's *Prison Notebooks* elaborate tentative and unsteady theses concerning his theory of "hegemony," reputed to be the key concept in his vocabulary. Thomas, of course, does not deny hegemony its central place within the *Notebooks*, but argues that it can only be properly understood when situated within Gramsci's truly "novel contribution to Marxist political theory: the concept of the 'integral State'" (137). Indeed, against those who would locate Gramsci's theory of hegemony solely within the boundaries of a non-political civil society, Thomas insists that:

> It is only within the problematic of the integral state as a dialectical unity of both civil society and political society that Gramsci's theory of proletarian hegemony becomes comprehensible, as a theory of the political constitution of an alliance of subaltern classes capable of exercising leadership over other subaltern social groups and repression against its class antagonist. It must necessarily progress to the dismantling of the state machinery upon which its antagonist's power is founded, and which provides the ultimate (coercive) guarantee for the bourgeoisie's (consensual) hegemony (137-8, footnote 8).

As the social basis for power in the state, any class project for hegemony must begin in, but never be confined to, civil society. Hegemony, in Gramsci's usage of the term, must therefore be understood as a practice spanning both civil society and political society (the state narrowly conceived). As the terrain of hegemony, civil society and political society together constitute the "integral state."

By situating Gramsci's concept of hegemony within his theory of the bourgeois integral state, Thomas draws our attention to Gramsci's prison-time engagement with the earlier debates of the Comintern. Specifically, it is Gramsci's peculiar form of Leninism that begins to explain his unique emphasis on mobilizing subaltern social groups in civil society in order to delegitimize and debase bourgeois state power. Gramsci, intently focused

on the 1921 New Economic Policy (NEP), tried to theorize the *practice* of "Lenin's last struggle" when, after the post-WWI revolutionary wave had definitively *receded*, he proposed a "cultural revolution" to consolidate the insurgent working classes and rebuild their capacities through basic (often defensive) class struggles alongside non-revolutionary workers and peasants. With this form of hegemonic politics in mind, Gramsci invokes Lenin and Trotsky's tactical recommendation to the west, the united front, as the strategic basis for consolidating the social forces of civil society into a "proletarian apparatus" during a period in which taking state power was off the immediate agenda.

This, however, is only the first half of the book, and is its most profound argument. In the second half, where Thomas takes up the cudgel against Althusser, the centrality of the integral state recedes as the argument shifts to the terrain of philosophy. For those who have come of age since the fading of Althusser's star and are unfamiliar with the controversies surrounding "historicism," "humanism" and so on, Thomas could have made the stakes of this debate clearer. The younger generation of readers may well wonder why the "Althusserian moment" continues to be the spectre haunting Marxist philosophy. Unfortunately, what the uninitiated are left with is what feels like an extended (though certainly not uninteresting) detour en route to the final chapter, when the integral state makes its brief reappearance in Thomas's discussion of intellectuals and hegemony. A more consistent and thorough intertwining of the two threads of *The Gramscian Moment* could have eased this discontinuity within the book.

Thomas's overall assertion that Gramsci's political and philosophical perspective—his "moment" in Marxism, so to speak—constitutes the most appropriate point of departure for any contemporary revitalization of historical materialism remains unfortunately underdeveloped. We are left with a detailed roadmap with which to navigate Gramsci's wide-ranging project, but with no clear guide as to how that schema may relate to our contemporary surroundings. While such a demand exceeds the intentions of this book, its major point clearly requires it.

Thus one can only hope that Thomas's book will reset the terms of debate for Gramsci scholars. It is not designed for beginners, but will serve its purpose if it reorients scholarly attention away from the "cultural studies" image of Gramsci and pushes forward a new research agenda that focuses more historiographical attention on Lenin's NEP, develops a closer examination of the successes and failures of the united front strategy and

critically re-examines Gramsci's concepts in the context of contemporary capitalism. All these avenues are opened up for subsequent investigation. While these ambitious projects fall beyond the scope of Thomas's book, this important text will no doubt be a vital tool for that enterprise.

Kramer, Reinhold and Tom Mitchell. 2010. *When the State Trembled: How A.J. Andrews and the Citizens' Committee Broke the Winnipeg General Strike*. Toronto: University of Toronto Press. ISBN 978-1-4426-1116-0. Paper: 35.00 CAD. Pages: 443.

Francis, Daniel. 2010. *Seeing Reds: The Red Scare of 1918-19, Canada's First War on Terror*. Vancouver: Arsenal Pulp Press. ISBN 978-1-55152-373-6. Cloth: 27.95 CAD. Pages: 280.

Reviewed by Peter Campbell
Queen's University

It would be an understatement to say that the history of the Canadian left has lost its lustre; it would be an overstatement to say that its lustre has been restored by *When the State Trembled* and *Seeing Reds*. Nonetheless, the fortuitous publication of these two books in the same year raises the profile of a history whose lessons Canadians can ill afford to forget. *When the State Trembled* is a "local" history placed in national and international contexts, while *Seeing Reds* is a national and international treatment whose central event is that "local" strike in Winnipeg in 1919. The interplay of the local, national and international on the one hand, and of the two books themselves on the other, means that both works are well worth reading, and even more worth reading together.

The central argument of *When the State Trembled* will not be new to readers who have read Tom Mitchell's work already published in *Manitoba History*, *Prairie Forum*, *Left History* and *Labour/Le Travail*. Readers will not be surprised to find that Kramer and Mitchell's book is meticulously researched, its impact heightened by the acquisition through the Access to Information Act of the correspondence between A.J. Andrews and the acting Minister of Justice, Arthur Meighen. That said, it remains an intriguing perspective that brings fresh insight to our understanding of Winnipeg 1919, the idea that it is the victors who have been marginalized

and forgotten. In their focus on A.J. Andrews and the Citizens' Committee, Kramer and Mitchell produce what might be called social history from above. As they point out, in the Winnipeg story it is the defenders of the status quo who lurk in the shadows, the "revolutionaries" who are in plain view in the streets and parks of Winnipeg. Turning Marx's famous aphorism in the *Communist Manifesto* on its head, Kramer and Mitchell argue that rather than the state managing the affairs of the bourgeoisie, in Winnipeg in 1919 the bourgeoisie was managing the affairs of the state. The case they make is compelling and convincing.

When the State Trembled reconstructs the history of the Citizens' Committee of 1000, revealing both its Winnipeg roots in the Winnipeg Citizens' Alliance and Citizens' Committee of 100, and the direct and indirect influence of American citizens' alliances in cities such as Minneapolis and San Diego. In doing so, Kramer and Mitchell reveal the extent to which the Citizens' Committee of 1000 was a secret organization and also convincingly demonstrate that the line between citizens' alliances and anti-labour vigilante organizations was blurred indeed. In outlining the genesis of the Citizens' Committee, Kramer and Mitchell remove all doubt that the strikers of Winnipeg were in a war, a war for the hearts and minds of the citizens of Winnipeg and the country as a whole. The Citizens were in the business of creating a "fiction of disorder" that "provided a pretext for vigilante action, the manipulation of state power, the invasion of workers' homes and labour temples, arrests, imprisonment, denial of bail, suspension of habeas corpus, and deportation" (174).

Yet Kramer and Mitchell refuse to reduce A.J. Andrews and the Citizens to blinkered reactionaries devoid of intelligence and insight. They demonstrate, in fact, that the Citizens were as quick to invoke the legacy of Magna Charta, the Glorious Revolution of 1688, Hobbes, Locke and Adam Smith as Bill Pritchard and Bob Russell were to invoke Giordano Bruno, the Tolpuddle Martyrs, Marx, Engels and Dietzgen. In their description of this war of moral authority, the reader will only be caught short by the surprising neglect of conscription, which does not even make its way into the index. Conscription was rife with meanings related to patriotism and the moral authority of the British connection that Andrews and the Citizens were so concerned the radicals were undermining, and the lack of treatment of the issue is a notable omission in an otherwise admirably comprehensive analysis.

In a sense, Daniel Francis follows the lead of Kramer and Mitchell in *Seeing Reds*, moving outward from the state to reveal the widespread anti-radical campaign that enlisted the movie industry, newspapers and

magazines. Francis discusses filmmaker George Brownridge's anti-Bolshevik film *The Great Shadow*, about "a Red plot to take over a trade union" made by the Adanac Producing Company, based in Trenton, Ontario. It was financed by the CPR and several other large companies and starred Tyrone Power Sr (79). Venerable Canadian magazines such as *Saturday Night* and *Maclean's*, Francis demonstrates, played even more important roles in feeding the anti-Bolshevik hysteria that sanctioned the illegal and questionably legal actions of the Canadian government and its business allies.

As in the case of *When the State Trembled*, the storyline in *Seeing Reds* is well known, although Francis includes a number of digressions – on Wilfrid Laurier, the Canadian women's movement, the Russian Civil War and the Irish Civil War, for example. As an author who writes, and writes well, for a general audience, Francis sees these digressions as an important element in his work. At times they are revealing, as in the case of Francis' comparison of the Winnipeg General Strike to the Glasgow General Strike of January 1919 (136). Both general and academic readers will find that they enliven the work, although academic readers may be concerned at times that Francis presents these vignettes with few, if any, footnotes. As academics we are more willing to trust the reliability of information and ideas lacking footnotes in an author's area of expertise, than to overlook a lack of footnotes in areas less familiar to the author.

At times, the essentially narrative approach Francis takes in *Seeing Reds* suffers from a lack of analytical rigour. The problem emerges in Francis' critique of what has come to be known as the theory of "western exceptionalism" attributed to David Bercuson. Francis argues that the labour revolt was not a "western Canadian phenomenon" (120), claiming that eastern Canadian workers were just as "restive" and "militant" as western workers (122). The problem is that Bercuson's argument is not based on a claim that eastern workers were less militant; his argument – and Bercuson is right on this point - is that they were less *radical*. As this is not the only example of Francis "dumbing down" the arguments of other historians, it leaves *Seeing Reds* a good read for both general and academic audiences, but at times the latter will be less convinced by the analysis than the former.

As seductive as it is for left-wing Canadian historians to believe that their socialist forebears were victims of Canada's first "war on terror," Francis' claim must be treated with a healthy dose of skepticism. Symbolically, it equates the attack on the World Trade Center and the Winnipeg General Strike; it equates socialists and labour leaders who

resolutely opposed violence with suicide bombers. In short, the analogy Daniel Francis makes in *Seeing Reds* is tempting, but it is a temptation that Canadian labour historians may want to resist.

Both of these books raise critical issues that Canadian historians need to pursue in the years to come. Leading the way is a question that neither of these books answers: why were there so many more pro-labour returned soldiers in Winnipeg than in other Canadian cities? Is there a direct connection between the way demobilized soldiers languishing in England at the end of the First World War were returned to Canada, and the role they played once they got home? A second critical issue is the role of anti-Semitism, a topic both Jewish and non-Jewish historians have been dancing around for more than a generation. Daniel Francis' observation that "anti-Semitism seems to have been subsumed under the broader fear of, and hostility toward, foreigners in general" is true and not true (99). Kramer and Mitchell argue that the Jewish radicals were "more aggravating" to the members of the Citizens' Committee than were the Anglo-Celtic strike leaders (94). Can we not do better than "more aggravating?" As Kramer and Mitchell themselves point out, anti-Semitism was much in evidence in the Mounted Police (224). There is a book to be written, ideally co-authored by a non-Jewish historian and a Jewish historian who understands Yiddish.

Class, Edward Thompson famously stated almost two generations ago, is a relationship. In *When the State Trembled* authors Reinhold Kramer and Tom Mitchell invoke Thompson's legacy in their assertion that in 1919 "class was happening" in Winnipeg (12). While not denying that the Winnipeg General Strike took place on the level of a fight for better wages and working conditions, the authors convincingly argue that the bourgeois opponents of the strike also "correctly intuited the battle as one between capital's freedom and the OBU's wish to abolish capitalism" (25). By taking socialists and the One Big Union seriously, Kramer and Mitchell do not reduce the response of the Citizens' Committee to misguided hysteria; what was irrational, they ask, about the Citizens and the state responding to what the radicals said they stood for and were willing to do? In *Seeing Reds*, Daniel Francis gives the leaders of the labour revolt their due, respecting their abilities and the challenge they embodied. He quite rightly concludes that the Reds "did pose a threat to the establishment". The Red Scare, he argues, "was less an illogical outbreak of paranoia than it was a response by the power elite to a challenge to its hegemony" (240). Whatever the excesses and delusions of the state and bourgeois opponents of the strike, the labour revolt of 1919 was a moment of legitimate threat

to the Canadian ruling class. Thanks to Reinhold Kramer, Tom Mitchell and Daniel Francis we now have a much richer understanding of that moment, and students of the history of the Canadian left have been given renewed impetus to explore one of the defining moments of Canadian history.

Gordon, Todd. 2010. *Imperialist Canada*. Winnipeg: Arbeiter Ring. ISBN 978-1-894037-45-7. Paperback: 24.95 CAD. Pages: 432.

Reviewed by Paul Kellogg
Athabasca University

It is not uncommon to analyze the world system using the category of imperialism. It is unusual to associate Canada with the term. By putting the two together in his book *Imperialist Canada*, Toronto author Todd Gordon has provided us with a compelling and important analysis of Canada's place in the world system.

There is an older literature which "portrayed Canada as a subordinate nation with little or no imperial ambition of its own and dominated first by Britain and then the United States" (9). This left-nationalist or dependency school of political economy, nearly-hegemonic in left-analysis in the 1960s and 1970s, conceptualized Canada, not as imperialist, but as the victim of empire. In a short introduction, Gordon surveys the emerging literature which challenges this "dependency" analysis, insisting by contrast "that Canada is an imperialist country – not a super-power, but a power that nevertheless benefits from and actively participates in the global system of domination in which the wealth and resources of the Third World are systematically plundered by capital of the Global North" (9).

Gordon roots this understanding of Canada in a particular understanding of the dynamics of the world system. If states are the agents of empire, their aggressive push abroad cannot be separated from the dynamics of capital accumulation. The state "should be considered as internally related to market relations" (33) and those market relations continually lead to recurring crises of overaccumulation. A partial fix for these crises of overaccumulation – a "spatial fix" – is characteristic of imperialism. "New geographical regions are sought to absorb the existing surpluses of capital … flagging profitability can be improved by accessing

cheap labour, raw materials and natural resources … In effect, fresh spaces of wealth accumulation are established as capitalism penetrates new territories" (32). Imperialism might be carried out by institutions of the state, but its dynamics are not reducible to state policies. The actions of imperialist states are deeply rooted in the dynamics of capitalist market relations – Canadian capitalism as much as any other Global North country. Crucially for Canada, Gordon argues, this means that its actions abroad cannot be seen as "the result of pressures from the Americans and increased integration with them … Canadian capital is still an independent force, however much its interests often coincide with its American counterpart" (14-15).

Importantly, Gordon does not begin his analysis "externally" but rather looks at the very construction of the Canadian state itself. The second chapter is a riveting account of "empire at home," documenting in grim detail the conquest of indigenous lands which laid the foundation for what is today Canada. "The whole foundation of Canadian capitalism rests upon indigenous land and resources" he writes, "Canada's existence is premised on the forceful subjugation of indigenous nations and their resources to its interests" (67). In an analysis influenced by David Harvey's notion of accumulation by dispossession, Gordon puts Canadian mining interests at the centre of this analysis. "Canada has the largest concentration of mining companies in the world, with interests in over 3700 properties" (81). This makes the dispossession of indigenous lands a central focus for Canadian capitalism, as "approximately 1,200 indigenous communities are located within 200 kilometres of an active mine" (82).

This analysis of Canadian state formation provides an indispensable foundation for Gordon when his analysis turns abroad. "Although separated spatially from the domestic agenda, the international imperial agenda is not an entirely different project; it is a continuation of the former, both geographically and historically" (134). In part, this reflects similar commercial interests to that of the mining corporations seeking profits on indigenous lands in Canada. There is quite a long history of Canadian banks in the Caribbean and "mining corporations such as the International Nickel Company's (Inco)" operating in Indonesia, Guatemala and elsewhere, profiting from the exploitation of natural resources through repressing the rights and interests of local populations (135).

But Canada's role abroad is not reducible to these straightforward commercial interests. Canada is a full partner in the complex architecture of Structural Adjustment policies and their "well-documented devastating impact on the Third World" (142). These policies were overseen by

international organizations such as the International Monetary Fund (IMF) and the World Bank, institutions in which Canada has " played an important role … By the late 80s structural adjustment was strongly endorsed and advocated by the Canadian International Development Agency (CIDA) and the departments of Finance and External (now Foreign) Affairs as part of an effort to facilitate the expansion of Canadian economic interests in the wake of the profitability squeeze of the 1970s and 80s" (142).

Trade deals have always played a large role in analyses of Canada's place in the world system. But whereas the left-nationalist literature has focused on trade deals as mechanisms which victimize Canada, Gordon by contrast develops an analysis which sees Canadian state and business interests as pushing "free trade" deals to further their own class and national interests. In the wake of the growing difficulties with a multilateral approach – whether through the collapse of the Free Trade Area of the Americas (FTAA) or the impasse of negotiations at the level of the World Trade Organization (WTO) – it is well-known that the United States, the world's principal imperialist power, has shifted to "bilateral" trade deals as mechanisms through which to advance a neoliberal agenda. But this has also been a track pursued by Canada which, as of the summer of 2010, "had enacted seven trade agreements and concluded deals with Jordan and Panama" (153).

Canada's push abroad has clear economic motives. But is that sufficient to label Canada "imperialist?" Gordon addresses this issue directly. "Any country with imperial ambitions backs up its dreams of global power with some degree of military might" and "Today, the United States … has built up the most powerful military in human history. That military is a key feature of the American imperial project. But what about the Canadian military?" (276). Gordon demonstrates that, even though it is not as militarized a society as the US, Canada nonetheless has a clear military component to its imperial projects.

He structures this analysis, again, looking first "internally" and then externally. There is a long history of enforcing Canadian colonial ambitions internally through the use of the military against First Nations. This is of a piece, Gordon argues, with the increasing turn to the use of force by the Canadian military abroad. His book joins a growing contemporary literature challenging the "peacekeeping" image of Canada abroad, analyzing Canada's role in the coup in Haiti in 2004, its part in the "re-engineering" of Afghanistan from 2001 on and its close alliance with the

right-wing government in Colombia, all as foreign policy moments, seen most clearly through an "imperialist Canada" lens (326-398).

This book makes a real contribution to a necessary reconceptualization of Canada's place in the world system, a necessity imposed by the actions of the Canadian state and Canadian corporations both at home and abroad. Future writings will be needed to fill in areas not covered in the book – most importantly to do with the complex relationship between Quebec and English Canada. Gordon documents the state-sanctioned execution of Métis leader Louis Riel in 1885 (77). There is a reason that Canada's prime minister of the day, Sir John A. Macdonald, famously said, about Riel: "he shall hang though every dog in Quebec bark in his favour." The one part of the country where Métis resistance found mass sympathy was in Quebec, a nation with its own deep grievances against the Canadian state. Integrating Quebec into our understanding of imperialist Canada remains an important task for activists today.

It is for activists that he writes his conclusion. "[A]s imperialism is the product of the contradictory dynamics of capitalist accumulation, it will not disappear of its own accord. We must build an anti-imperialist resistance" (403). Gordon sees *Imperialist Canada* as both a contribution to a theoretical debate and a potential resource for the movement activists "organizing against Canada's reactionary role" in Haiti, "organizing against the war in Afghanistan and Canadian support for Israel, raising awareness about Canadian mining and sweatshop manufacturing, working in international solidarity committees in unions, challenging racist immigration policy and building support for First Nation struggles." Without a doubt *Imperialist Canada* will be just such a resource for these "early rumblings of a new Canadian anti-imperialist politics" (405).

Yee, Jessica, ed. 2011. *Feminism for Real: Deconstructing the Academic Industrial Complex of Feminism*. Ottawa: Canadian Centre for Policy Alternatives. ISBN 978-1-926888-49-1. Paperback: 15.00 CAD. Pages: 176.

Reviewed by Julie E. Dowsett
York University

Feminism has been institutionalized and professionalized, both within and outside of academia. Today "feminist theory" can be listed as an area of expertise on an academic curriculum vitae almost as legitimately as something like "modern political thought." A degree in women's studies can be parlayed into a middle-class career that involves sitting around tables talking about "women's issues." The institutionalization and professionalization of feminism has concerned many feminist activists. For example, only some women have enjoyed its benefits, particularly those already privileged by their race, class, gender identity and/or sexuality. In addition, there are larger concerns about the process of institutionalization threatening politicized forms of feminism. These and other concerns are addressed in the edited volume *Feminism for Real: Deconstructing the Academic Industrial Complex of Feminism*. In her introduction, Jessica Yee poses what is perhaps the central question of the volume: "when feminism itself has become its own form of oppression, what do we have to say about it?" (12). The various contributors – who locate themselves as insiders, outsiders or both to institutionalized/professional feminism – offer a variety of replies to this question. In a format reminiscent of *Canadian Woman Studies*, the book largely consists of short, accessible articles with some interviews, poetry, photographs and art thrown into the mix. In their various modes of expression, many of the contributors offer insightful and much-needed critiques of what Yee dubs "the academic industrial complex of feminism" (hereafter AICF). At the same time, the book could have been improved with a better developed introduction, a clear definition of the AICF, the omission of some entries of questionable relevance to the topic at hand, and the addition of a conclusion or epilogue.

The strongest contributions to this collection are personal narratives from a diverse group of women (and one Two-Spirit man) that examine their experiences with feminism. Most of these contributors deal with feminism in academia, although some deal with non-academic institutionalized/professional feminism. In the former group, the contributors describe their experiences of oppression in women's studies

and other feminist classes. Many describe feminist theory as disconnected from real experiences (93, 105, 124). For example, in her piece "Feminism and Eating Disorders: Wishful thinking for a more caring attitude," Cassandra Polyzou makes the persuasive argument that due to the way feminists have theorized eating disorders, the notion of a feminist with an eating disorder has become a contradiction in terms (127). Feminists who struggle with eating disorders (including Polyzou herself) are disparaged as "bad feminists" who have betrayed the cause (130-132). Many contributors contend that insofar as feminist theory is connected to experience, it still tends to privilege the experiences of white middle-class women. For example, Krysta Williams and Erin Konsmo point out that women's studies and other feminist courses continue to allow tokenism (that is, including one article from an Indigenous person and/or a person of colour) to stand in for actual engagement with questions of race (30). Shabiki Crane discusses how her first-year women's studies class rarely mentioned colonialism and consistently represented non-white women as victims, such as Muslim women who wear the hijab (78). The AQSAzine Collective demands an end to erroneous assumptions about the feminist politics of hijab-wearing Muslim students in the feminist classroom (75). Although most of the contributors dealing with feminism in academia discuss their experiences in undergraduate classrooms, Diandra Jurkic-Walls discusses her experiences in graduate school. She critiques the prevalence of back-biting and more feminist-than-thou (or lefter-than-thou) discourse; moreover, she suggests that feminist academics accuse each other of being racist because they have yet to figure out where feminism stands on race and racism (145-147).

There are also strong contributions that describe people's experiences with non-academic institutionalized and professional feminism. For example, Andrea Plaid discusses the distinction between "The Degreed" and the "Self-Taught" in the sex-positive community and critiques the assumption that the latter have a less nuanced understanding of political or social issues (98). Latoya Peterson, editor of the well-known blog *Racialicious* and a college drop-out, describes how she inadvertently became enmeshed in the world of third-wave feminist activists and writers. Louis Esme Cruz, an Indigenous Two-Spirit man, reads activist spaces that are "women-only" as another form of colonialism in that contemporary gender binaries have been imposed by Europeans onto Indigenous people (54).

Unfortunately these and other important contributions are somewhat overshadowed by a poorly developed introduction, the

inclusion of some seemingly irrelevant pieces and the lack of a proper conclusion. Although the book is supposed to be "deconstructing the academic industrial complex of feminism," at no point in her introduction does Yee define what she means by the term. The scope and definition of the AICF remains unclear throughout the book; however in subsequent interventions, the feminists who live and work within the AICF are described in a variety of ways. For example, they are graduate students who sit around with their fair trade coffee reading 900 pages a week, they are writers who preach the "one-true feminism" and perhaps most revealingly, they can really put together a white hipster outfit (39, 47, 173). In other words, these are self-important women who immerse themselves in the aesthetic of the working class in a fallacious attempt to escape their own privilege. Although the nature of the AICF becomes clearer over the course of the book through such descriptions, a better developed introduction involving not only a definition of the AICF but also an overview of book as a whole would have been helpful. The confusion created by the term AICF is heightened by the inclusion of some entries of questionable relevance. For example, it is unclear how Nimikii Couchie's poems or Lisa Mantie's article on the lack of feminist voices in the mainstream media relate to the mandate of the book. In the concluding article, "On Learning How *Not* to Be An Asshole Academic Feminist," Kate Klein offers a prototypical narrative of her developing feminist consciousness at university, yet offers little on the titular topic. Instead of allowing the Klein piece to stand in for a conclusion, an epilogue or conclusion from Yee might have rendered some of the problems with the introduction less pressing and given the book as a whole a greater sense of cohesiveness.

Whatever its flaws, many contributors to *Feminism for Real* offer insightful discussions of how the institutionalization and professionalization of feminism has been advantageous for some women at the expense of others. This might be best expressed by Shaunga Tagore in her poem describing feminists

> debating about feminist organizing in high theory discourse while barely-paid migrant workers prepare lunches for seminars, conferences, forums and get deported the next day (37).

As a whole, the book offers a long-overdue intervention into the persistence of colonial relations, racism, classism and elitism in institutionalized and professional feminism today. This book is particularly recommended not only for academic feminists, but for all left academics

and "Degreed" people (working in social justice-related fields) who wish to critically interrogate their roles.

Aronsen, Lawrence. 2010. *City of Love and Revolution: Vancouver in the Sixties*. Vancouver: New Star Books. ISBN 978-1-55420-048-1. Paperback: 24.00 CAD. Pages: 208.

Mills, Sean. 2010. *The Empire Within: Postcolonial Thought and Political Activism in Sixties Montréal* . Montréal and Kingston: McGill-Queen's University Press. ISBN 978-0-7735-3965-1. Paperback: 29.95 CAD. Pages: 302.

Reviewed by Douglas Nesbitt
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These two city-focused studies provide invaluable contributions to an emerging literature on Canada and Quebec's "sixties" – an ambiguously periodized "decade" sometimes beginning as early as 1956 and often extending well into the 1970s.

Each historian clearly identifies his sixties in relation to various phases in the history of their respective city's conception of the left. For Aronsen, Vancouver's "sixties" extend loosely from 1963 to the fall of Saigon in 1975. Yet, most of his research focuses upon the years 1967 to 1972. Montréal 's radical "decade" also begins in 1963, a year in which the Front de libération du Québec (FLQ) is formed and the electorally-oriented Rassemblement pour l'indépendance nationale (RIN) becomes increasingly engaged with the anti-colonial ideas of Albert Memmi, Frantz Fanon and others. Mills does not declare the "sixties" to be over in 1972, but concludes his study with the Common Front general strikes of that year.

Aronsen's work focuses primarily on the cultural transformations of post-war society, overturning a staid Protestant Vancouver. Following a tour through Kitsilano's emergence as the centre of Vancouver's hippie scene, we move to the east side where the Vancouver Free University (VFU) emerged to meet the needs of the local community in an equally counter-cultural – though not explicitly radical – leftist way. This distinction sets the VFU apart from other free university experiments in North America, including Toronto's Rochdale College, which were

explicitly tied to the political projects and organizations of the New Left. As a consequence, the VFU had an important influence upon the emergence of community-centred education reform under the provincial NDP government elected in 1972 – the same year that VFU collapsed. With more care than in previously published studies of the Sixties, we're also treated to the transformations in sexual attitudes and practices and drug use. Aronsen is particularly adept at contrasting the emerging women's liberation movement (including the VFU's popular childcare and child-rearing courses) with an enduring but transforming misogyny within the counter-culture and New Left.

Aronsen ends his book with chapters on the short-lived Vancouver Yippies and their relationship to the 1971 Gastown Riot, and the city's anti-war movement in its three major phases, including its Communist-led phase in the early 1960s, its increasingly NDP-backed phase in the late 1960s and the large-scale anti-nuclear demonstrations of the early 1970s.

Well-researched and presented in an accessible, narrative form, Aronsen's account is richly infused with a constant awareness of geography. Anyone with a cursory knowledge of Vancouver's neighbourhoods and major streets will find it a pleasure to read. Yet, *The City of Love and Revolution* appears to be limited to the political boundaries of Vancouver as opposed to Greater Vancouver and the Lower Mainland. Readers may be surprised by the work's silence on the student-faculty protests at Simon Fraser University.

With the exception of the chapter on the anti-war movement and recurring appearances by Vancouver's left-wing city councilor Harry Rankin, Aronsen's work lacks a substantive exploration of the relationship between the counter-cultural and New Left with the wider and larger "Old Left" institutions, including the Communist Party, the NDP and organized labour. As a consequence, wider political realignments culminating in the provincial NDP's 1972 victory and the reconstitution of labour following the postal workers strike of 1965 are largely absent. In fairness to Aronsen, the lack of research on the evolving relations between a youth-centred counter-culture and New Left and the Old Left and organized labour remains a central problem confronting the emerging Sixties historiography as a whole.

Sean Mills steers clear of the counter-culture to engage with the "formal" politics of Montréal 's social movements. *The Empire Within* is divided into two sections. The first section, spanning 1963 to 1968, explores how decolonization struggles in Algeria, Cuba and elsewhere had a profound impact upon the intellectual underpinnings of Quebec's

nationalist left. Case studies concerning this process include the short-lived but influential magazine *Parti Pris*, the various elements of the RIN, as well as the early FLQ. The second section transitions from an intellectual history to a well-executed account of the major confrontations between popular and state forces, including the "Black Renaissance" sparked by the Sir George Williams Affair in early 1969, the emergence of a powerful women's movement and the battles surrounding language such as Opération McGill français and Bill 63. The final two chapters recount the October Crisis and the 1972 Common Front strikes.

While placing the role of postcolonial thought at the centre of his arguments about the trajectory of Montréal 's complicated terrain of oppositional politics, the intellectual debates of 1963-68 are segregated from the debates over praxis between 1968 and 1972. For example, while offering a well-supported and convincing critique of the FLQ's urban guerrilla tactics as a strategic blunder with relation to the city's large-scale labour and social movements, Mills disconnects the FLQ's actions from the various (and contested) theorizations of violence as a revolutionary tactic espoused by postcolonial thinkers explored in earlier chapters of the book. The result is a missed opportunity to extend the exploration of postcolonial theory to an exploration of postcolonial practice. In Mills' work, therefore, there is no sense of debate regarding the political strategies of decolonization, whether the Montréal 's short-lived municipal left party – Front d'action politique (FRAP) – or the revolutionary syndicalism of organized labour and urban guerrilla strategies.

Each work makes an immense contribution to an emerging subfield in Canadian and Québécois historiography. Mills, in particular, usefully reinterprets Quebec's experience within a left-nationalist milieu influenced heavily by decolonization struggles and the political distillations and theorizations of such experiences. Aronsen's detailed local focus lays the groundwork for further avenues of study for the 1970s, a transitional decade from the post-war settlement to neoliberalism in desperate need of rigorous historical research.

There remains, however, an ongoing friction between emphases upon a generational interpretation of the Sixties in which cultural norms are transformed in enormous and lasting ways, and the "political Sixties" in which radical anticolonial, left nationalist, working-class and New Left forces represent an acute challenge to the global system of empire and race. Perhaps, as both Mills and Aronsen's work implicitly suggest, a resolution may be found by extending our periodization of the Sixties well into the 1970s in order to grasp the extent to which the women's liberation

movement was, arguably, the deepest transformation in both the cultural and political realms to emerge from the late 1960s.

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