

BOOK REVIEW

Laxer, James. 2009. *Beyond the Bubble: Imagining A New Canadian Economy*. Toronto: Between the Lines. ISBN 9781897071557.
Paperback: 24.95 CAD. Pages: 264.

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Here is yet another book on the 2008-09 financial crisis and its fallout. One might wonder why anyone should pick up Laxer's book after Paul Krugman reissued his 1999 *Return of Depression Economics* (W.W. Norton & Company, 2009), expanded with an update on the recent crisis. Certainly, Laxer is a prolific writer on Canadian political economy, but Krugman is a Noble Prize-winning economist, *New York Times* columnist, and the most referenced author in Laxer's book. Still, the remainder of this review will present reasons to get a copy of *Beyond the Bubble*.

First of all, let's have a look at the topics and ideas that distinguish Laxer's book in a positive way compared to so many others on the financial crisis. One is that it looks beyond financial markets to argue that the financial crisis is a symptom of troubles caused elsewhere in the production and distribution of wealth. With this wider scope on the so-called real economy and financial markets, Laxer arrives at solutions to the crisis beyond financial regulations of some sort or another. A related distinguishing feature of the book is that its historical outlook is not restricted to a comparison of the Great Depression of the 1930s with the Great Recession (to use Krugman's term) of today. Laxer thinks in much longer historical terms. In chapter 3, he takes readers all the way back to 17th century Netherlands and their tulip bubble and the early 18th century's 'South Sea Bubble' in Britain.

More systematically, though, he tells two stories: the first one traces the current crisis back to the rise of neoliberal capitalism and its alleged twin, the decline of the American empire. In fact, Laxer begins his book with the stark thesis that 'the age that ended in the autumn of 2008 was the American-centred age of globalization' (2). After surveying the redistribution of income that a US-led world capitalism engineered over the last thirty years from poor to rich people within individual countries and from poor to rich countries more generally, he concludes that 'we will live in a multipolar world with a global economy dominated by a number of leading powers' (124).

This multipolar world sets the stage for Laxer's second story. That story will be familiar to readers of some of his previous books. Under the influence

of the British and then the American empires, this story reiterates that Canada became an exporter of precious staples (such as wheat, nickel and oil), but was never fully industrialized. Under the primacy of staples exports, Canada became home to branch-plant industries whose development was decided elsewhere, mostly in the US. To prove his point, Laxer briefly surveys the history of auto, railway and aircraft industries in Canada. With the American empire fading, he concludes that Canada can develop its economy more independently in the future than at any time in the past. It remains unclear, though, where this development should go. On the one hand, the book reads as if (after all those years under foreign dominance), national auto, railway, and aircraft industries should be established. On the other hand, Laxer points to the ecological limits of current models of industrial production. Laxer doesn't show convincingly how the Canadian industries he is advocating for would be more earth-friendly than the same kind of industries headquartered in other countries.

Like many progressives in North America, Laxer seeks inspiration from Sweden whose 'creative technological achievement' (143) he presents as some kind of role model for Canada's future. Even if one disregards the current, potentially lethal, crisis of Swedish automakers Saab and Volvo, such a plea is not convincing. Earlier in the book, Laxer correctly mentions that Swedish corporations, in an attempt to bypass organized labour, 'have shifted an ever growing proportion of their investments outside Sweden to avail themselves of cheaper labour' (61).

Unclear as the goals Laxer advocates, is his suggested strategy. On the one hand, he criticizes the Liberals for missing the chance to form a coalition government with the Bloc Québécois and the NDP in the spring of 2009. On the other hand, he aptly presents Liberal leader Michael Ignatieff as an advocate of American empire and the NDP, equally aptly, as a party without economic vision beyond balanced budgets. In terms of agency, Laxer suggests some kind of, to use old-school language, popular front, praising 'Canadians (as) a well-educated, productive people' (216). However, he also advances workers as the key agent by insisting, 'it is labour in all its forms that creates capital' (208).

Luckily, the last chapter of *Beyond the Bubble* transcends the national independence vs. united-front-of-labour framework of left strategizing. Linking Canada back to the rest of the world, he warns that if progressive strategy fails to rally 'the world on the road towards equality' (233), the crisis of neoliberal capitalism may lead to the re-emergence of fascism. In order to avoid this, Laxer calls for a 'democratic political coalition of both rich and poor countries' (235). This still leaves the question unanswered as to whether Laxer sees a Bloc-Liberal-NDP-coalition as a desirable Canadian contribution to a progressive global polity. Stressing the latter, though, is certainly more

imaginative than hoping for the return of regulated national economies that many critics of neoliberal capitalism suggest these days. Laxer isn't more precise in this field than anyone else; shifting debates from the states vs. markets dichotomy that the current crisis just reinforced is a bold step, though. Moving from the imagination that the subtitle of *Beyond the Bubble* stresses toward a plan for global action has to be a collective effort and can't be expected from one single book anyway.