
BOOK REVIEW

William K. Carroll and R.S. Ratner (Eds.),
Challenges and Perils: Social Democracy in Neoliberal Times.
Halifax: Fernwood Publishing, 2005, 160 pp.,
\$19.95 paper.

Reviewed by **Elaine Coburn**, The American University of Paris

Carroll and Ratner's latest book, an edited collection of essays, begins with the following observation: in Canada, and indeed worldwide, the Keynesian post-war consensus is definitively over. Since the oil crisis and the new phenomena of "stagflation" led to declining rates of profits in the 1970s, capital successfully renewed pressures on states to extend the reach of the market. In the process, the post-war Keynesian state was transformed into the contemporary neoliberal state, managing national resources in the name of international competitiveness and efficiency. Programmes aimed at limiting inequalities and partially decommodifying labour have been replaced with programmes of privatization, liberalization and social austerity, typically coupled with coercive approaches to labour negotiations and punitive policies towards those on welfare and other marginalized populations. Given this radical reorientation of the state along neoliberal lines, the authors then ask, how have social democratic parties coped – particularly when they have succeeded electorally and formed government?

For the contributing authors, this is an empirical question. Following an introductory chapter by William Carroll that considers alternative definitions of socialist democracies and democratic socialism against the particular historical configuration of Canada, the five middle chapters each analyse how the New Democratic Party, as well as the Parti Québécois, has variably negotiated provincial government power "in neoliberal times". Revisiting recent NDP governments in Ontario, Manitoba, Saskatchewan and British Columbia, as well as the PQ in Québec, is predictably gloomy business. The authors point to the many constraints facing NDP and PQ governments in recent decades, including mobile capital, the North American free trade agreement, limited controls at the provincial level over key economic instruments, reduced provincial resources due to the federal downloading of social services, and a typically hostile media. In practice, this has meant

that the NDP and PQ provincial governments have been relegated to pursuing “innovations at the margins [of neoliberalism]” (47). The authors remind us that such innovations can be meaningful, if limited in scope. In Manitoba, the NDP government increased much needed funding for childcare. In Ontario, under Premier Rae, social reforms sought employment equity and increases in the minimum wage. Most ambitiously, the PQ government of Québec initiated a universal daycare programme and established institutions dedicated to studying and limiting poverty. Yet, the case studies suggest that NDP and PQ governments have often failed to pursue even such limited social reforms. Often, they have acted indistinguishably from Tory and Liberal counterparts and, at worst, behaved like “Tories in a hurry” (27).

Each of the case studies documents the rightward drift of the NDP and PQ provincial governments, describing both socialist and democratic failures. Thus, the Manitoba childcare funding was administered “from above” in a way that excluded democratic participation and accountability, while studiously avoiding the linked problem of women’s poverty. In Ontario, the small gains made in direction of employment equity were offset by the abandonment of promised public auto insurance, the implementation of mandatory wage cuts through the ‘Social Contract’ with public sector workers and an obsessive concern with the deficit over public service and wellbeing. The PQ government gradually shifted from a concern with social solidarity and equality, once seen as necessary to generating a national consensus, to the implementation of austerity measures designed to boost Québec’s “national competitiveness.” Simultaneously, recognition and openness to social movement actors shaded into the use of the nonprofit sector for community caregiving no longer offered by the state. Worst of all, many NDP governments ceased to align labour interests and those of the most disadvantaged with the general welfare, characterizing labour as a “special interest” group (34, 41) and welfare recipients as “tax-takers” (120). This antagonistic stance towards working people and the marginalized was not infrequently coupled with the progressive adoption of pro-business rhetoric and policies, including promises, for example, to implement “a competitive tax regime” with “targeted tax cuts for business” (88). Such policy shifts were justified in terms that served to reinforce neoliberal hegemony, echoing Thatcher’s flat assertion that “There is no alternative” (39) to neoliberal economics. Clearly, in recent decades, provincial NDP and PQ governments have been neither socially-minded nor particularly democratic.

In order to leaven the gloomy summaries of NDP and PQ failures to challenge neoliberal hegemony, the book concludes with two chapters considering how social democracy in Canada might be revived. In different ways, Duncan Cameron and R.S. Ratner insist that the democratic failure of the NDP and PQ partly explains their inability to implement progressive social reforms. Only by building a mass citizen’s party that is organically connected to social movements and labour, they argue, can the NDP and the PQ hope to

mobilize the necessary mass of public support for social democratic policies – policies that will inevitably be opposed by an organized business class, both domestically and internationally, as well as the corporate-owned media. Genuine democratic dialogue within a mass party, partly facilitated by communication on the internet, would consider the international as well as national political economy. Creative ways of satisfying local needs for everything from affordable electricity to home care would be debated alongside the international aim of challenging American corporate control, particularly in transnational institutions like the International Monetary Fund. Sustained debate would allow social movement actors to move beyond “single-issue” concerns to a broader appreciation of a coherent social democratic project. An increasingly urban, professional leadership would be held accountable to the mass base. Ultimately, the result would be a virtuous circle, wherein democratic participation would sustain more radical social democratic programmes which would in turn reinvigorate a popular base implicated in a truly alternative government. Finally, the act of embarking on such a renewal project would announce the NDP’s firm rejection of the neoliberal assertion that the only interests that governments can and should pursue are business interests, which would be recast as antagonistic to the general interest rather than synonymous with it.

Clearly, this book makes a useful contribution to the study of Canadian political economy. Those teaching Canadian studies courses and political economy will find the historically contextualized descriptions of the ‘decline of social reform’ - to borrow Gary Teeple’s phrase – a helpful, if somewhat depressing, overview of neoliberalism’s incremental capture of social democratic parties and governments. The prose is straightforward and readable, although possibly challenging to lower level undergraduates.¹ Researchers will appreciate the references, listed separately at the end of each chapter and together providing an extensive review of the existing theoretical and substantive literature on neoliberalism, social democracy and their historically specific intersections. Yet, the collection might have gone a bit farther than it does, to provide a clear explanatory and analytical framework, in addition to thick descriptions. Explanations tend to be scattered or highly case specific; for example, declining NDP support in Saskatchewan is explained as a result of Premier Romanow’s backing of the Wheat Pool management against members, among other factors (90). Still, this is fine book, with a well-balanced and nuanced account of social democratic governments in neoliberal times, realistically pessimistic yet not without hope.

¹ For example, Anthony Giddens’ Third Way politics is said to be “predicated on a stylized and misleading conception of social democracy, which compresses the diversity of social democratic strategies and politics into a stereotypical image of an overweening welfare state unsuited to late modernity’s heightened reflexivity” (107).