

## Introduction

# CRITICAL PERSPECTIVES ON CANADIAN PUBLIC POLICY

*Mike Burke, Colin Mooers and John Shields*

The chapters in this book contribute to the literature on the political meaning and social implications of neoliberal adjustment in Canada<sup>1</sup> by surveying some of the major policy areas affected by neoliberal restructuring. The authors understand this restructuring as a paradigmatic shift from the policy regime of the Keynesian welfare state, and place it in the broader context of globalizing capitalism. This book also considers the forms and strategies of social resistance that have emerged in response to the neoliberal agenda and engages both theoretical and concrete arguments for developing the capacity to resist.

In Canada, as in other liberal democracies, the period of welfare-state development and consolidation has ended and in its place has emerged a new paradigm of retrenchment and restructuring. The severe regimen of neoliberalism has swept away Keynesian understandings by fundamentally reconfiguring the roles and responsibilities of states, markets, individuals, families and groups. Generally, neoliberalism has transferred decision-making power away from the public sphere of the state and civil society to the private sphere of the market. While neoliberal rhetoric has emphasized expanding and enriching individual choice, neoliberal practice has constrained choice by imposing market criteria on all social exchanges.

The dimensions of the post–World War II Keynesian social contract have been recounted many times (McBride and Shields 1997; Shields 1996). In summary, that contract involved the acceptance of the welfare state and associated social services, public policies that promoted “full” employment, and workers’ rights to collective bargaining. Over time, the evolving social understandings of the Keynesian welfare state also granted limited recognition to the collective interests of some disadvantaged groups such as women and visible minorities. All major political parties and social interests came to accept the broad and relatively elastic framework of this social contract, at least until the onset of serial economic crises in the mid-1970s.

The three decades after World War II were marked by steady economic growth. During this period, Keynesian-inspired policy promoted a capitalism of limited inclusion. Various social interests participated, at least informally, in the policy-making process and materially benefited from the rewards of economic growth. The politics of limited inclusion and the opportunities for social mobilization that it allowed ensured a social safety net and popular pressures

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for the redistribution of wealth. Wealth remained unequally distributed, but the effects of market inequality were partially mitigated by the policies of the welfare state.

The neoliberal period marks a sharp break with this framework and the initiation of a new policy regime. Neoliberalism is a political ideology and practice that is highly critical of the direction of welfare-state developments in the postwar period. If Keynesianism was about the politics of limited inclusion, neoliberalism is about the politics of aggressive exclusion. In an effort to shrink the state, neoliberal restructuring attacks core aspects of the Keynesian social contract, by dismantling social welfare supports, belittling the objective of full employment, and dismissing notions of workplace bargaining and collective rights. Neoliberalism extends the class power of large capital and erodes the collective capacity of labour and the popular sector. The bundle of policies that has come to define neoliberalism—privatization, deregulation, cutbacks, downsizing, lean production, contracting out, increased state coercion and social discipline—is testimony to its transformative essence. The social distress, inequality and marginalization that are the lived consequences of such policies only confirm the exclusivist character of neoliberalism. Table 1 summarizes the major differences between the policy regimes of Keynesianism and neoliberalism.

**Table 1**  
**Policy Regimes**

<b>Key Characteristics</b>	
<b>Keynesianism</b>	<b>Neoliberalism</b>
<b>Market Failure:</b> The problem of the failure of markets to perform in a manner that produces optimal outcomes (a perspective informed by the experiences of the Great Depression of the 1930s) guides much of Keynesian-centred policies.	<b>Government Failure:</b> The guiding premise of neoliberal policy is the idea of “government failure.” Economic and societal problems beginning in the 1970s can be traced to overactive state involvement in society.
<b>Balancing Market and State:</b> The emphasis is on balancing market and government forces in shaping the directions of economy and society.	<b>Primacy of Markets:</b> Priority is given to unfettered market forces to restructure society and the economy.
<b>Nationally Oriented Economic Policy:</b> The emphasis is on domestic production and consumption with a concern for regulating supply and demand forces in the economy. Various state-sponsored national policies are developed to help direct economic growth.	<b>Export-Led Growth Strategy:</b> The emphasis is on policies directed toward export-led growth, increasing international competitiveness and forging regional economic trading blocks in the global economy. Multinational capital takes an increasingly powerful role in directing the forces of economic change.

**Keynesianism**

**The Capitalism of Limited Inclusion:**

The various segments of society are allowed to share in the benefits of growth (even though the benefits are unequally distributed). Public policy is based on “social contracts,” expanding social welfare and the right to collective bargaining. The idea of citizenship is expanded to that of “social citizenship.” In the language of neo-Marxism, a balance is struck between the accumulation and legitimation functions of the state.

**Goal of Full Employment:** A key policy goal is to maintain low rates of unemployment and use state action to assist in managing the business cycles of the economy.

**The Activist State:** Active state involvement in both society and the economy is sanctioned with the aim of building a comprehensive welfare state and maintaining class harmony.

**Neoliberalism**

**The Capitalism of Aggressive Exclusion:**

The goal is to reduce the costs of state social spending and to restrict the social and economic obligations of the state to its citizens. The collective rights of workers, women and other subordinate groups in society are sharply curtailed. There is a movement from the idea of social citizenship to that of “lean citizenship.” The Keynesian social contract is challenged and undermined. The accumulation function of the state comes to dominate the legitimation function.

**Goal of Low Inflation:** Policy priority is directed toward controlling inflation and eliminating public deficits and debt.

**The Shrinking State:** The aim is to create a lean state and the policy goals are reducing state economic regulation, privatization, contracting out, and the slashing of social welfare expenditures with an emphasis on turning “passive” social policies into “active” labour market ones. While shrinking, the state becomes more powerful in its coercive capacity to manage social disruptions and enforce moral regulation.

Neoliberalism’s pursuit of the politics of exclusion and confrontation is eliciting considerable social resistance in the form of extra-parliamentary action. While much of this resistance takes the form of “defensive defiance” to the neoliberal agenda, it does nevertheless contain the potential for meaningful change. If these forms of resistance are to cohere in a realizable political alternative, they will need to be informed more fully about the theory and practice of neoliberalism and about the strengths and weaknesses of various strategies for social change. The three parts of this book are designed to address these questions of theory, practice and change.

Part One, *Globalization, the State and Shifting Terrains* examines theoretical approaches to policy change and the broader social and structural contexts of neoliberal policy-making. It discusses the role of national governance in the era of globalization and the ways in which policy-making is being reshaped through the ideological onslaught of neoliberalism. This part also reviews how

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both ideational and policy paradigms have undergone significant changes under the aegis of neoliberal governments. It explores the shifting policy terrain of the Canadian welfare state, the critical role that ideas have played in the move away from “social Keynesianism” toward the market-competitive model of policy-making championed by neoliberalism, the growth of economic polarization and threats to social cohesion, and the structural realities of evolving Canadian federalism and the new social union.

In Chapter 1, “From the Workhouse to Workfare: The Welfare State and Shifting Policy Terrains,” Bob Russell poses the question of why welfare states develop and why such states encapsulate the social policies that they do. He reviews the historical development of welfare policy and considers the effects of contemporary trends on government welfare policy in Canada. That the welfare state and its future have become contemporary social controversies is somewhat surprising, in as much as welfarism and the welfare state are usually considered to have been capitalist society’s response to glaring social inequalities that threatened social stability. Russell examines the reasons why the state in capitalist society became a welfare state in the first place and why its existence is now being rethought. Does the welfare state have a significant role to play in the future, or is it an historical anachronism in the process of fading away? Is it accurate to refer to a “crisis of the welfare state,” or has the “crisis” been manufactured or imposed on the welfare state by other interests? These are the types of concerns that have turned state welfare practices into contemporary social issues and the focus of significant policy analysis. Russell also examines why former political allies of the welfare state have abandoned it and the implications of this for its future. In particular, he critically analyzes the emerging accord that appears to be developing between neoliberalism and social democracy, which takes the form of “new labour” or “third way” initiatives.

Neil Bradford in Chapter 2, “The Policy Influence of Economic Ideas: Interests, Institutions and Innovation in Canada,” explores the important role of ideas in shaping public policy and political discourse. Many political economists have revisited John Maynard Keynes’ bold claim that in explaining government action “the power of vested interests is vastly exaggerated compared with the gradual encroachment of ideas” (1936: 383). This chapter examines the “ideational turn,” locating its origins in a theoretical concern to better understand major episodes of policy change, such as the contemporary shift from the Keynesian to the neoliberal state. Bradford intervenes in debates about how “ideas matter” through case study analysis of the policy struggle among competing economic discourses in postwar Canada. He examines the dynamics of change at two critical junctures of paradigm construction: the 1930–40s and the 1980–90s. He finds that historically evolved institutional/political relations powerfully channel the flow of new ideas into the state at such moments of apparent openness and choice. The chapter analyzes the dismal fate of social Keynesianism in the first period and progressive competitiveness in the second, demonstrating

how paradigmatic shifts have worked to marginalize economic ideas that challenge market-oriented approaches. Bradford demonstrates that only certain ideas really matter. The chapter closes with a discussion of institutional reforms that could both promote and accommodate progressive policy ideas in Canada.

In Chapter 3, “Globalization and the Challenge to Canadian Democracy: National Governance Under Threat,” B. Mitchell Evans, Stephen McBride and John Shields explore the implications of globalization for Canadian democracy and the nation-state’s policy capacity. The authors observe that globalization is a real material force that extends cross-border trade and internationalizes finance and production. However, it is also a term that captures a more ideological process concerned with downsizing the state, redirecting public policy towards privileging capital over labour and, more generally, promoting a neoliberal approach to politics and society. Until now, the nation-state has claimed a monopoly on governance. Many currently argue that the nation-state no longer holds a primary claim to governance but has been superseded by transnational economic and political actors. In this scenario, power is wielded outside the confines of the nation-state and is therefore beyond the reach of domestic politics. By contrast, this chapter argues that the scope of governance is far greater than proponents of “strong” versions of globalization allow. If a substantial role for national governance remains, there also exists in Canada the basis for a renewed popular democratization of political institutions and processes. The authors document, however, how the Canadian state under neoliberal leadership has limited the nation-state’s policy capacity by binding government actions to the strict boundaries of international and regional “free” trade deals.

Mike Burke and John Shields in Chapter 4, “Tracking Inequality in the New Canadian Labour Market,” reveal some of the dramatic changes unfolding in the contemporary labour market and examine their social consequences. Using newly developed measures from the Ryerson Social Reporting Network to analyze Labour Force Survey data, the authors provide a detailed mapping of levels of labour-market exclusion, polarization and vulnerability. The patterns reveal deeply entrenched labour-market inequality. Despite recent declines in the rate of official unemployment, levels of economic marginalization and social exclusion continue to climb. Burke and Shields observe that a crisis in sustaining employment opportunity has become a defining characteristic of the contemporary Canadian labour market. This is problematic because access to full and meaningful employment is not only a way of achieving material well-being, but is also a necessary condition for the realization of core societal values such as justice, freedom and social integration. The authors conclude that Canadians have made the transition from an era of generalized prosperity and optimism about the economic and social future to one of vulnerable employment and social deficits. Burke and Shields’ conclusion is consistent with Viviane Forrester’s assessment in *The Economic Horror* that: “Neo-liberalism has introduced a new economic paradigm. Increasingly it offers the most vulnerable

in our society a quite new choice—poverty at work or poverty on the dole” (as cited in Cotton 1999: 17). This chapter provides a necessary context for understanding the nature of social inequality, which is both a cause and consequence of neoliberal policy change.

In Chapter 5, “Federalism, Globalization and the (Anti-) Social Union,” Gregory J. Inwood explores the impact of globalization on Canada’s federal system. The analysis focuses on the evolving social union between the federal and provincial governments and its consequences for public policy. Transnational corporations and international finance capital are increasingly overshadowing and even supplanting governments in their domestic political economies, having already staked out a dominant place in the international political economy. In Canada’s federal system, a vacuum is being created that is being filled by assertive provincial premiers seeking to reform federalism along much more decentralized lines. As Inwood points out, decentralization will weaken the capacity of the national state to reign in capital and protect citizens from the impact of corporations driven by the logic of accumulation under a borderless global-market regime. The impact of globalization has seen the federal government become increasingly hostage to the demands of global interests and the provincial governments become vehicles for the wish-lists of global corporate power. Globalization has reconfigured the terrain upon which the social union will unfold in ways that adversely affect the capability of the national government to impose national standards in social and health policy, post-secondary education, labour-market training and other areas.

Part Two on *Neoliberal Restructuring of Public Policy* is a bridge between the other major sections of the book. It contains six case studies of policy sectors that have been affected by restructuring and examines some of the concrete policy changes that have occurred in each sector. And it links those changes to the broad theoretical and contextual concerns discussed in Part One and to the social implications for resistance explored in Part Three.

The policy studies in this part document the extensive reach of neoliberal restructuring, which has affected policy in such major sectors as education, the labour market, health, employment equity, communication and municipal governance. The comprehensiveness of this assault on public policy underlines Bob Russell’s contention in Chapter 1 that we are witnessing not just a simple retreat from the welfare state but an active deconstruction of that state and its associated social understandings.

Despite the comprehensive nature of neoliberal restructuring, it does not proceed in the same fashion or at the same pace in every policy sector. Its progress is neither uniform nor linear, as the individual contributions in this section make clear. Neoliberal restructuring can proceed incrementally, as in health, or it can be more active and assertive, as in the education sector in Ontario. Sometimes it combines passive and active forms, as the examples of health and education also show.

The policy studies demonstrate how strong the state remains under neoliberal regimes and how fundamentally anti-democratic the neoliberal state has become. In communication policy, the neoliberal paradigm is undercutting the foundations of democratic entitlements to speech, representation and universal service. In labour-market policy, the state is constructing a severe regime of work discipline. In the education sector, the Harris government is forcibly preparing people to accept the new and persistent forms of social and economic marginalization that attend global capitalist restructuring. In the case of municipal governance in Toronto, the provincial state is imposing local amalgamation against the expressed wishes of communities and, in the process, forcing local states to become often unwilling partners in the implementation of the neoliberal agenda.

The final general point about the policy studies in Part Two concerns the possibilities and potentialities of social resistance to the neoliberal state. The case of federal employment equity legislation reminds us that some limited victories can be won against the prevailing dominance of neoliberal adjustment. The 1995 employment equity law was an improvement over its 1986 predecessor, and this change could be partly explained by the pressure of disadvantaged groups, who were relatively weakened by the ruthlessness of the neoliberal onslaught but still mobilized enough to count in the vote-maximizing strategies of parties and governments. The neoliberal march in health has been slowed, and even partially reversed, by the strength and tenacity of public opinion on the need for protecting the health-care system. Progressive change in this sector, however, remains blocked by the power of vested interests, most particularly the medical profession, and by the hesitancy of some policy analysts and advocates to confront directly the social and political implications of the neoliberal discourse on health. Developments in labour-market policy indicate an underlying fragility to the neoliberal edifice, resting as it does on serious theoretical, normative and empirical contradictions that are becoming increasingly apparent. It is also becoming clear that effective communication policy in Canada requires a bold step away from neoliberalism, involving a fundamental re-regulation of the sector with strong state support for production and a vigorous and democratic national policy agency. The case study of the new mega-city of Toronto emphasizes how potentially vast is the social constituency that could be mobilized against neoliberalism.

All of the policy-sector studies imply that the strength of neoliberalism is related to the fragmentation, weakness and confusion of left alternatives to it. The left is divided by questions of strategy and tactics and is too timid or too enmeshed in bureaucratic relations to realize the potential for change. The topic of resistance is taken up more systematically in Part Three. But before moving on to a discussion of that section, let us summarize the major points of the policy case studies.

In Chapter 6, "Education for a Lean World," Alan Sears examines how the

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Harris government in Ontario is restructuring the education system from top to bottom, altering funding arrangements, administrative practices, the curriculum and labour relations. He points out that the aim of education “reform” is to prepare students for graduation into a world that has been reorganized around systems of lean production, marked by a more polarized labour market, less stable employment patterns, intensified domestic labour and minimal levels of social assistance. Another aim is to shatter the expectations bred by liberal education methods oriented around citizenship. Education for a lean world is dedicated to teaching students to market themselves and to meet their needs through the market.

Stephen McBride in Chapter 7, “Policy From What? Neoliberal and Human-Capital Theoretical Foundations of Recent Canadian Labour-Market Policy,” looks at the theories that appear to have influenced the development of labour market policy in Canada at the federal and provincial levels. He points out that, in liberal welfare states, labour-market policy has recently emerged from a position of relative obscurity to a position of rhetorical prominence. Labour-market policy is frequently linked to globalization through the conduit of human-capital theory, some amplifications of which suggest that the route to competitiveness and prosperity in the new global economy lies in the improvement of the stock of human capital, rendering it a comparative advantage for the economy. In practice, there has been a dispute in many countries over how to achieve competitiveness by this route: advocates of new institutions involving neo-corporatist partnerships between “stakeholders” are competing with advocates of labour-market deregulation. McBride argues that the human-capital approach to international competitiveness and labour-market insecurity is part of the larger neoliberal paradigm, and he provides a trenchant critique of human-capital theory and its policy implications.

In Chapter 8, “Efficiency and the Erosion of Health Care in Canada,” Mike Burke contends that “efficiency” is the major principle driving the restructuring of medicare and that the discourse of efficiency poses a direct threat to the publicly funded system of health care. The unrelenting focus on efficiency devalues the relevance of the five criteria of the *Canada Health Act* and leads to the erosion of the quality of the health-care system. He outlines the major components of the dominant meaning of efficiency and suggests that this discourse of efficiency has two important and debilitating policy implications: it privileges both the commodification and the relegation of health care. The discourse of efficiency provides an ideological rationale for commodifying health by asserting the superiority of markets over states. And it also justifies relegating health or downloading health services onto the family and the voluntary sector, which lack the resources to provide quality care. The promise of efficiency is better care for less money. The practice of efficiency is compromised care for more money, as quality declines and health costs are not eliminated but redistributed to other parts of the system in ways that generate additional social costs.

In Chapter 9, “Out of Sync With a ‘Shrinking State?’ Making Sense of the Employment Equity Act (1995),” Janet Lum and Paul Williams challenge the view that the imperatives of global production and market competition have unequivocally reduced the policy capacity of nation-states to provide public goods and to act in the public interest. They suggest that a focus on the changes embodied in the *Employment Equity Act* (1995) reveals many deficiencies, including those related to imprecisions on the question of timing that seem to allow for endless delay, and those related to the lack of clear meanings for such key terms as “numerical goals,” “reasonable effort” and “reasonable progress.” But there have been visible gains in the legislation too, including a more explicit statement of employer obligations and a strengthening of the monitoring authority of the Canadian Human Rights Commission. The authors conclude that it is the “mixed” nature of this legislative change, with its elements of both retreat and advance, that provides a key to understanding the complex relationships among globalization, neoliberalism, state capacity and social mobilization.

David Hogarth in Chapter 10, “Communication Policy in a Global Age: Regulation, Public Communication and the Post-National Project,” analyzes the democratic implications of Canada’s new communication policies in a neoliberal, globalized environment. He explores policies concerning media convergence and supports for domestic media production, and considers to what extent these policies might bring about a communication system allowing for public access and public information. Hogarth examines the technological, economic and political developments which led to the deregulation and globalization of Canada’s communication industries over the last fifteen years. He takes a critical reading of the often contradictory, often opaque, policies of Canada’s communications regulators which are designed to restrict, facilitate and often just cope with communications developments emanating from the corporate sector. He also considers the possibilities for a “post-national” public sphere in this new globalized, commercialized communications environment, focusing on the consequences for communication consumers, producers and carriers.

Neil Thomlinson in Chapter 11, “When Right is Wrong: Municipal Governance and Downloading in Toronto,” examines the issue of local amalgamation and its relation to the neoliberal agenda of the Harris government in Ontario. He shows that the 1998 changes to local governance, which violate traditional principles of municipal restructuring and ignore the recommendations of numerous bodies established to study the issue, were determined as much by the Harris government’s considerations of electoral survival as by the imperatives of efficiency, cost-reduction and global competitiveness cited as justification. The structural changes subtly but effectively insinuated neoliberal values into a municipal practice that historically had opposed them. By coupling institutional change with a massive realignment of financial responsibilities, the provincial government maneuvered municipal authorities into the position of

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being unwilling agents of the province. He shows that municipal councils, particularly the council of the new City of Toronto, thus face the most unpalatable of choices: cut program costs or continue to support much needed programs with funds raised from a revenue source that is regressive, inelastic, inflexible, inadequate and unfair—the property tax.

Part Three, *Restructuring and Resistance: Theory and Practice*, deals with the critical issue of resistance and the challenges faced by the left in confronting the neoliberal agenda. It questions the dominant discourse on the left regarding the protection of national sovereignty in the fight against globalization; critically engages recent feminist endeavours to move beyond welfare-statist political orientations; investigates how anti-racist resistance has been contained in the battle for employment equity; examines the concrete lessons to be drawn from resistance to the Harris government in Ontario; and analyzes attempts to recast the socialist project in terms of a so-called “third way” between capitalism and traditional social democracy.

Trade pacts such as NAFTA, the European Union (EU), the Asia-Pacific Economic Cooperation (APEC), the ill-fated Multilateral Agreement on Investment (MAI) and the World Trade Organization (WTO) dominate much contemporary discussion of economic globalization. Often, however, this discussion occurs outside any serious analysis of the dynamics of capitalism’s historic cycles of expansion and crises. David McNally in Chapter 12, “Globalization, Trade Pacts and Migrant Workers: Rethinking the Politics of Working-Class Resistance,” draws our attention to the fact that the current “strength” of globalizing capitalism is just as much an expression of the system’s inherent weaknesses and contradictions. His analysis reveals that the push for global and regional trade and investment pacts is fundamentally about securing an international regime of capitalist property rights and a restructuring of the world labour market. Global capitalist restructuring means that workers within the heartlands of the developed world are subjected to a multiplicity of new disciplinary regimes, while at the margins of the system, previously peripheral workers are now being drawn into the global labour force. This points to an often neglected feature of globalization: the explosive growth in migrant labour, as tens of millions move about the world economy in search of work. But, while capital has been freely mobile, migrant labour has been subjected to strengthened regimes of immigration controls as nation-states scramble to stem the flow of migration spawned by their own policies. The plight of migrant labour highlights a central weakness in the current strategy of the left in opposing globalization. Much of this opposition has been constructed around a nationalist discourse in the name of protecting Canada’s sovereignty. As such, it has offered little in the way of critique of Canadian immigration policy. By analyzing trade pacts in terms of the central dynamics of globalizing capitalism, McNally argues for a more explicitly anti-capitalist opposition. While agreeing that trade and investment agreements ought to be resisted, this chapter calls for a new emphasis on internationalism over

nationalism and for the centrality of anti-racist politics in the fight against globalization.

Susan Ferguson in Chapter 13, "Beyond the Welfare State? Left Feminism and Global Capitalist Restructuring," demonstrates just how dangerous the pre-occupation with national sovereignty can be from the standpoint of women. Left feminists have pointed to a critical dilemma in the fight against globalization: by defending the Keynesian welfare state in an era of dismantling, feminists risk downplaying the ways in which the welfare state is implicated in reproducing women's subordination. Thus, a difficult path needs to be traversed between celebrating the gains for women brought by the welfare state while avoiding "nostalgia for a Golden Age that never was." Ferguson agrees with those who have argued not for a return to the postwar welfare state but for a *feminist restructuring* which transforms the fundamental role and purpose of the state in society. She points to the crucial importance of extra-parliamentary struggles of women which have combined community and workplace issues, in the process forging novel methods of organizing and decision-making. At the same time, there has been a growing international dimension to the feminist movement which has highlighted the commonality of the problems confronting women in the face of globalization. And yet, despite these gains and insights, there has been a critical failure to engage questions of class power. Rejecting crude economic reductionism, Ferguson argues for an expansive definition of class, rooted in the lived experiences of women and encompassing every aspect of their lives. She concludes that any strategy for moving beyond the welfare state must incorporate a non-reductionist class analysis into the politics of left feminism.

The capacity of neoliberal governments to contain resistance is the subject of Anver Saloojee's analysis of employment equity strategies. Chapter 14, "Containing Resistance: The Neoliberal Boundaries of Employment Equity," argues that by incorporating employment equity into the dominant discourse, even in the face of considerable public hostility to such measures, the state effectively limits the nature and form of resistance around issues of gender, race and ethnicity. While applauding the gains which have been made through the institution of employment equity legislation, Saloojee places the issue in the broader context of power relations and the reproduction of inequity in capitalist societies. The acknowledgement of inequality among designated groups has led some to posit a hierarchy of oppressions pitting disadvantaged groups against one another. Added to this are the resentments of non-designated groups of workers who feel that they are somehow losing out to workers from designated groups. Both responses have only exacerbated further the divisions that employment equity was designed to overcome. In terms of outcomes, it is clear that employment equity has benefited historically disadvantaged groups. But by advantaging minorities within the designated groups it has also reproduced the inequalities which permeate Canadian society as a whole. Saloojee argues that the divisions

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within and between designated groups and other sections of the working class can be overcome not by denying the particularities of racial, ethnic and gender discrimination but by demonstrating concretely how such demands can be wedded to the concerns of all workers.

In Canada, labour-movement resistance to neoliberalism has displayed some impressive strengths but also some critical weaknesses. In its first term in office, resistance to the Harris Conservatives in Ontario was led by a coalition of labour and community groups and saw the highest levels of opposition to any government's policies since the Solidarity movement in British Columbia in 1983. The "Days of Action" and strikes by teachers and public-service workers brought tens of thousands into the streets in active defiance of the Harris government's austerity agenda. But the impetus soon fizzled out, leaving many activists puzzling over the effectiveness of extra-parliamentary strategies of resistance to neoliberalism. David Camfield in Chapter 15, "Assessing Resistance in Harris's Ontario, 1995–1999," examines the internal dynamics and tensions within the coalition which led the Days of Action. He locates a key tension between, on the one hand, the so-called "Pink Paper" group of private-sector unions who wanted to see the extra-parliamentary actions halted in favour of an electoralist strategy centred on the New Democratic Party (NDP) and, on the other, the Canadian Auto Workers (CAW), allied to public-sector unions, who wanted to continue with the protests. However, despite disagreements on tactical issues, neither section of the labour movement saw the Days of Action as a strategy for driving the Harris government from office. And both saw the election of the NDP (or even the Liberal Party, as the CAW was subsequently to argue during the 1999 provincial election) as the best hope for rolling back the neoliberal agenda. Camfield argues that these commonalities and the fact that no alternative strategy was forthcoming from rank and file activists reveal a singular feature of modern trade unionism: that bureaucratization is not limited merely to a small stratum of trade-union officials at the pinnacle of the labour movement but permeates trade unions at every level. This fact, combined with nearly two decades of successful capitalist restructuring and the absence of an organized alternative to the left of the NDP, meant that those voices calling for an escalation of extra-parliamentary resistance remained marginal.

Finally, in Chapter 16, "Beyond Left and Right?: The Self-Limiting Politics of the 'Third Way,'" Colin Mooers returns to a theme signalled by Bob Russell in the first chapter of this volume. In recent years there has been a growing literature which attempts to recast the socialist project in the wake of the collapse of communism and the apparent impasse of traditional social democracy. Political theorists and a small number of left-of-centre governments and politicians have embraced what has been touted as a "third way" between free-market capitalism and bureaucratic socialism. Despite the vast range of labels adopted—radical, deliberative, associational and cosmopolitan democracy, to name a few—the fundamental assumptions of third-way theory remain

remarkably consistent. The retreat from class analysis has led many to accept uncritically the separation of politics and economics under capitalism, thereby consciously limiting the scope of democratic politics to what is achievable in the political sphere. This concession has resulted in a tendency among third-way theorists to de-socialize market mechanisms. The “naturalization” of market relations, Mooers argues, leads third-way theorists to underestimate drastically the extent to which the capitalist market may undermine even the self-limiting democratic politics of the third way. His argument concludes with a call for a critical rethinking of the socialist project, but along lines distinctly different from the advocates of the third way.

*Restructuring and Resistance* offers a comprehensive examination of the context, theory and practice of neoliberal public policy and the forms of resistance to it. We hope that this work will also contribute to an ongoing dialogue concerning alternative policies and practices to neoliberal restructuring. It is critical to challenge the claim that there is no alternative to neoliberal policy directions, particularly when that claim seems to have been largely accepted by both the right and much of the left in Canada and elsewhere. It can only be hoped that the stirring of organized resistance to neoliberalism and globalization evidenced by the recent protests against the World Trade Organization (WTO) in Seattle signals a reversal of this trend. This book is intended as a modest contribution toward forging that resistance.

### **Note**

1. This book emerged from a three-part symposium, “Critical Perspectives on Canadian Public Policy: Restructuring and Resistance,” that the editors organized for the Annual Meeting of the Society for Socialist Studies, University of Ottawa, May 31–June 3, 1998. Many of the contributors to the book presented papers at that symposium.