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Canada

# Restructuring and resistance in the Canadian state

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**The ruling class in the Canadian state gradually developed its current right-wing agenda after the end of the unprecedented period of global capitalist expansion and prosperity that came to an end with the first major post-war recession in 1974-75. In the mid-1970s, Canadian governments and big business - like their counterparts in the US and Western Europe - were confronted with serious problems: falling profits, high inflation, citizens who expected rising wages and better public services, confident unions and high levels of strikes (almost 600,000 workers struck in 1974). In Quebec, the nationalist Parti Quebecois (PQ) was elected in 1976. Its demand for sovereignty was a response to the national oppression of Quebec and called into question the federal structure of the Canadian state established in 1867.**

[<https://www.internationalviewpoint.org/IMG/jpg/35723.jpg>]

Canadian demonstrators against the FTAA, including the Canadian Union of Public Employees, attacked by armed Qu becois police

By trial and error, the Canadian ruling class went about trying to restore order. It went on the offensive on various fronts. It set out to discipline the working class, defeat Quebec nationalism and create better conditions for investment and profit-making. This was not a conspiracy by unpatriotic CEOs and politicians to sell out the country to the US, as some English-Canadian nationalists allege; the Canadian state was and is an imperialist power dwarfed by its imperialist superpower neighbour to the south. The path taken by Canadian corporations and their parties, which dominate official politics, began as a response to capitalist crisis and has continued as capital aggressively pursues its class interests in the context of the competitive pressures of the global economy.

## On the offensive

Labour militancy was the first target. Beginning in the mid-1970s, federal and provincial governments imposed wage controls and frequently used back to work legislation to end strikes. The federal government took on and defeated the most militant and radical pan-Canadian union, the Canadian Union of Postal Workers (CUPW), and jailed its president. The combined impact of these attacks put the labour movement on the defensive. In a context of rising unemployment, working-class confidence was replaced by uncertainty and compliance.

In this climate, employers began to reorganize workplaces and jobs to boost profits. Early experiments evolved into extensive work reorganization. Workers across the private and public sectors have been subjected to schemes designed to intensify their work and increase management control in the workplace.

There has been a shift away from the norm (never a reality for most women and workers of colour, nor for many white male workers) that paid employment means a full-time, year-round, open ended job working for a single employer in return for adequate pay and benefits. The emerging new norm is full-time or part-time fixed-term contract work with few or no benefits, and involves changing employers. As a result of capitalist restructuring, the experience of wage work today is much more insecure and stressful than it was a generation ago.

Employers' efforts to reorganize workplaces and jobs have both been helped by and inspired the neoliberal state policy that gradually came to replace the post-war model of the broad welfare state (never as extensive as welfare states in Western Europe). The "free trade" deal between Canada and the US in 1989 and then the North American Free Trade Agreement of 1994 have helped Canadian capital greatly to increase its foreign direct investment and

exports.

The pace of cuts and neoliberal "reform" of unemployment insurance and other government programmes increased sharply after the Liberals under Jean Chretien returned to the federal government after nine years of the Conservatives in office. Billions of dollars of funding for state programmes were cut. Federal state spending as a percentage of GDP was reduced from 15.7% in 1993-94 to 11.5% in 2003-04 - its lowest level since 1949-50. This was the most dramatic reduction in the G-7. The much-demonized deficit monster was quickly slain with the aid of a stronger than- expected recovery from the recession of the early 1990s. As a result of state restructuring, less than 40% of the officially unemployed now qualify for unemployment insurance, tuition fees for post-secondary education have grown dramatically, and levels of poverty and homelessness have risen.

Provincial governments of all political stripes have also embraced neoliberalism. They have implemented workfare and privatized services. Education is being "reformed". [1] The role of the federal government in cuts to provincially-administered programmes (which include health care, education and welfare) has often been obscured, since it has usually been able to get away with slashing transfer payments to the provinces and leaving it to the provincial governments to decide what to cut.

[<https://www.internationalviewpoint.org/IMG/jpg/35724.jpg>]

Jack Layton, federal leader of the NDP

The federal political system was stabilized by the defeat of the movement for Quebec independence in the 1980 referendum on the PQ's proposal for "sovereignty association" between Quebec and English Canada. The adoption of a new Canadian constitution without Quebec's consent followed in 1982. But Quebecois nationalism revived at the end of the 1980s as Quebec's right to determine its own language policy again became a hot political issue. Both the Meech Lake and Charlottetown Accords, two failed attempts to accommodate Quebec within the constitutional order with token concessions, managed to draw the combined ire of the Quebec nationalist movement, anti-Quebec chauvinists, aboriginal activists, and many others who had come to hate a federal Conservative government widely-seen as unsympathetic to working people in hard times. Overconfident federalists nearly lost the next Quebec referendum in 1995. After that, they wasted no time in going on the offensive against the Quebec national movement, passing the "Clarity Act" to further restrict Quebec's ability to determine its relationship to the federal state. Because the bourgeois PQ has severed the cause of Quebec sovereignty from the social-reform agenda with which it had been popularly associated since the 1960s, its populist appeal has declined and it has been unable to revive support for sovereignty.

The very existence of aboriginal land and treaty rights continues to be an obstacle to firms in resource industries and an affront to the widespread racist belief that aboriginal people should have "no special rights" (read: no compensation for centuries of colonial oppression). Unfortunately, the official leaders of most First Nations are, willingly or unwillingly, stuck in drawn-out negotiations that can at best produce small gains for aboriginal people. Flare-ups of aboriginal resistance have caused short-term problems for governments and corporations and drawn attention to oppression. There are signs of change in aboriginal politics as many give up hope that working through official channels will improve the lives of indigenous peoples. But we have yet to see the emergence of a new movement among First Nations.

## Resistance

On balance, the Canadian ruling class has been quite successful in carrying out its agenda. It has long benefited from the division of unions and social movements along national lines, and from sexism, racism (very real despite the image of a tolerant multicultural society promoted abroad) and heterosexism (highlighted in ongoing debates around same-sex marriage, which is currently available in two provinces). Since September 11, the state has been able to

exploit racist fears about immigrant threats to "national security" to harass and intimidate people of colour and clamp down on militancy.

The ruling class also owes a large measure of its success to the fact that most of the working-class movement (unions, community-based organizations, and the social democratic New Democratic Party [NDP]) was completely unprepared for the attacks that began to rain down in the mid-1970s. True, unionized workers have put up significant resistance, from the one-day pan-Canadian general strike against wage controls in 1976 through the Solidarity protest movement in the Pacific Coast province of British Columbia in 1983 to the "Days of Action" (a series of mass protests and political strikes) in Ontario from 1995 to 1998 and the December 2003 "day of disruption" in Quebec. By and large the unions haven't been devastated like those in the US. Support within the movement for feminism, anti-racism and lesbian and gay rights has increased. But while the level of struggle seen in the Days of Action and the recent "day of disruption" went further than previous efforts, it hasn't been enough to stop governments determined to implement capital's agenda.

Activists committed to the kind of militant, democratic, solidarity-building strategy and tactics needed to win struggles today are few in number and dispersed. Although the bureaucratic union officialdom has a left wing (chiefly the leaders of the Canadian Auto Workers and the Canadian Union of Public Employees, plus the smaller CUPW), there is not a single significant organized militant or left current rooted among rank and file workers. This is a critical weakness.

The mobilizations of other social activist groups, which in the 1990s included the Quebec and pan-Canadian Women's Marches, anti-poverty struggles and many student protests, have won few victories but have kept a spirit of resistance alive. The global justice movement showed real potential with the large, dynamic and militant protests in Quebec City in 2001 against the Free Trade Area of the Americas (FTAA). It was hit hard by the political retreat that took place following September 11 2001 and has not recovered. Demonstrations against the war on Iraq swept the Canadian state, taking place in small towns as well as large cities and reaching mass proportions. This was particularly true in Quebec, where demonstrations in Montreal drew over 200,000. Regrettably, few anti-war activist networks have been sustained.

## Bitter fruits

The success of the ruling-class offensive has had important effects. Crucially for capitalists, it has boosted corporate profits. According to Marxist economist Fletcher Baragar, the average rate of profit of Canadian business in the 1960s and early 1970s averaged just over 8%. In the 1988- 1999 period, it was 6.4%. The average for 1999-2001 was 9.1%. Although these high profit levels may well prove to be short lived, capital has increased its exploitation of labour, with profitable results.

Capital's victories have had many other effects on society. Crucially, they have weakened the working class as a social and political force. Inequality, competition and divisions among working people have deepened. The percentage of workers outside agriculture who are in unions has declined from its peak of 40% in 1983 to around 30%. Many individuals and families have adopted private and individualistic ways of getting by, reflected in support for right-wing tax-cuts in a time of stagnant or falling real wages. The number of workers who went on strike annually between 1993 and 2002 averaged around only 180,000. Dependency on wage-labour has been reinforced, with more people now forced to hold down more than one job. People of colour, aboriginal people, women and lesbians and gays are often blamed by members of dominant groups for the difficulties in their lives. All this makes for fertile ground for the "common sense" ideas of neoliberalism that dominate official politics.

The options represented in official politics have shrunk. Neoliberalism reigns unchallenged in three of the four major federal parties (the Liberals, Conservatives, and Bloc Quebecois). In the NDP, it is now dominant. At best, the NDP calls for more funding for some public services while accepting the parameters of capitalist discipline (such as balanced budgets). No wonder, then, that many people see the parties as basically the same and voter turnouts are falling.

## Hope and opportunities

At the same time, the ruling-class offensive has produced an important minority of people who are thoroughly disgusted by what they see as the "corporate agenda" or "globalization." They understand that public health care is being eroded. They oppose tax cuts tied to slashing social services. Some see that women are bearing most of the growing burden of care-giving caused by cutbacks. They have supported nurses' and teachers' strikes, cheered anti-poverty actions and marched against war.

The full potential of this layer is rarely realized. Most unions don't even try to mobilize and educate workers except in limited and controlled ways. The bureaucratic character of the unions is a major problem. [2] For many workers, unions are distant service providers rather than their own organizations. Traditions of rank and file self-organization are weak. There is no significant political formation that clearly expresses the sentiments of the anti-neoliberal minority, let alone one that argues for radical politics and builds movements.

Among union and social justice activists, there is much disaffection with the NDP. The party is a deeply-electoralist apparatus with a weakened activist base. The party's roots in the working class were never as deep as those of Western European social democracy, and its opposition to the Quebec national movement has kept it from ever becoming a force in Quebec; as a result, it has never been able to form the federal government. Since 1990, the devout compliance of NDP provincial governments in Ontario, Saskatchewan, British Columbia and Manitoba with neoliberal economic orthodoxy has demoralized many supporters and reinforced right-wing "common sense" in the working class.

The federal NDP's new leader, Jack Layton, is noted for his media savvy and a talent for opportunistically appealing to those to his left (he vocally opposed the war on Iraq) and right (courting Liberals alienated by their new leader Paul Martin, who has strong Bay Street ties [3] and as finance minister oversaw the massive cuts of the mid-1990s). In the federal election expected this year, the NDP will be up against the Liberals and the harder-right Conservatives [4] and Layton hopes to reap electoral gains as a result of Martin's ascendancy. Even if the prospect of more NDP MPs in the House of Commons is enough to mobilize more members in the election campaign, it will not reverse the party's acceptance of neoliberalism or change its political practice.

A realignment on the English-Canadian Left that could have an impact on a mass scale would have to attract the minority of NDP supporters who strongly oppose neoliberalism and support social struggles despite the party's accommodation to the former and distance from the latter. Yet despite the obvious failings of the NDP no left political formation has been able to establish itself as a credible alternative or even make some real gains. In one sense, this is a reflection of the global crisis of the Left triggered by the collapse of Stalinism and social democracy's embrace of neoliberalism. In addition, the politically and organizationally weak radical left that does exist was and is in a poor position to relate to disaffected NDP supporters.

The one effort that might have had a chance was the New Politics Initiative (NPI). Taking advantage of the spirit of hope and struggle generated by the global justice movement, in 2001 the NPI aimed to unite the left wing of the NDP with the left outside the NDP behind the project of building a new party on the basis of opposition to neoliberalism,

enthusiasm for participatory democracy and a nominal commitment to combining electoral and extra-parliamentary politics. After its strong showing and predictable defeat by the party establishment at the 2001 federal NDP convention, the NPI proved incapable of taking advantage of the opportunity that existed to unite different radical left currents in a new political organization and soon foundered.

Prior to Sept. 11, 2001, the small anti-capitalist left, concentrated among students, youth and university-educated workers, was growing but still ideologically divided (with anarchism the largest single influence in the new radicalization) and organizationally fragmented. Since then, many of its weaknesses have been reinforced and it has not progressed. [5]

[<https://www.internationalviewpoint.org/IMG/jpg/35726.jpg>]

Quebec battle to disrupt the FTAA meeting, 2001

In Quebec, it has been the PQ's evolution that has been the main issue, not the NDP's. The PQ's "zero deficit" agenda in government and the large mobilizations against the FTAA in 2001 created the conditions for the launch of a party that supports Quebec sovereignty and opposes neoliberalism, the Union des Forces Progressistes (Union of Progressive Forces). The UFP has united many on the Left and accepts organized currents within its ranks, although the argument against "lesser evil" electoral support for the PQ against the Liberals is far from having been won in the labour and popular movements. Many radical Quebecois youth, among whom anarchism is particularly influential, have also stayed away from the UFP.

The UFP faces a crucial challenge: how will it relate to the fight against the newly elected Quebec Liberal government? The Quebec Liberals are committed to bringing unadorned neoliberalism to Quebec, attacking unions and public services and abandoning the consultative mechanisms of class collaboration (concertation) with representatives of business, labour and "civil society" that served the PQ so well during the 1990s. Pledged to be "a party of the ballot boxes and the streets," the UFP has supported popular mobilizations. However, as an organization it has failed to advance a perspective of escalating resistance, let alone fight within the movement for strategy and tactics based on this perspective.

Outside Quebec, prospects for repositioning and renewal on the Left have suffered setbacks. No force on the radical left had the social implantation and size to make a notable contribution to the anti-war movement, except in limited ways in one or two cities (where the political impact was far from uniformly positive). It will probably take a resurgence of social struggle to create new opportunities for political realignment and organizational initiatives. Both anti-capitalists and the broader anti-neoliberal current made up of labour activists, the left union officialdom, left NDP supporters, the Council of Canadians "citizens movement" and other social justice groups are fragmented.

The next several years will likely see neither social peace nor a rising and spreading wave of struggle and radicalism, but sporadic flare-ups of resistance against aggressive employers and right-wing governments. These strikes and protests will present opportunities to strengthen grassroots self-organization and networks of activists committed to building stronger movements. There is also potential for building support among radicals for a non-sectarian, anti-racist and feminist revolutionary socialism.

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[1] See Alan Sears, *Retooling the Mind Factory: Education in a Lean State* (Garamond, 2003).

[2] Under a procedure known as the "Rand Formula" that dates back to the strike wave that followed World War 2, once a union wins a recognition vote conducted by the appropriate labour board (recognition strikes are illegal) and negotiates a collective agreement, the employer automatically deducts union dues from the paycheques of all workers covered by the agreement and remits them to the union. Workers do not have to join the union. Strikes are banned during the term of a collective agreement. Political strikes are also illegal. Union officials are legally required to ensure

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that workers abide by the collective agreement and to clamp down on unofficial action.

[3] Bay Street in Toronto symbolizes the heights of corporate wealth and power in the Canadian state.

[4] Recently created by a merger of the Progressive Federal Conservatives (Tories) and the Canadian Alliance, dominated by the latter.

[5] David McNally's book *Another World is Possible: Globalization and Anti-Capitalism* (Arbeiter Ring, 2002) was written as a non-sectarian revolutionary Marxist contribution to the new radicalization.