

AUSTERITY and its  
**ALTERNATIVES**



# Austerity in Quebec

Neither Romance nor Despair

Peter Graefe (McMaster University)

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## ABOUT US

Austerity and its Alternatives is an international knowledge mobilization project committed to expanding discussions on alternatives to fiscal consolidation and complimentary policies among policy communities and the public.

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## ABOUT THE AUTHOR

*Peter Graefe is a professor of political science at McMaster University. He can be contacted at [graefep@mcmaster.ca](mailto:graefep@mcmaster.ca)*

The Maple Spring of 2012 raised hopes about the capacity to organize against austerity. The boldness of the student strike and its application of new models of organization and protest managed to provoke the government and excite the interest of citizens and activists in many movements. When the government overreached in its reaction, the movement grew into a larger defense of the public realm. The moment closed with the governing Liberals losing the provincial election, and the (somewhat) pro-student Parti Québécois winning a minority mandate.

Fast-forward four years, and the Liberal Party is halfway through a majority mandate, grinding away at the public sector and public services in order to meet self-imposed fiscal exigencies. While the government is not particularly popular, the opposition remains split, making it hard to see an electoral path to change, particularly for the traditional party of the centre-left, the PQ. Even this party seems keener to compete with the right wing CAQ party about what religious dress is acceptable in what public sector workplace than on a different socioeconomic strategy.

The hopes of 2012 were exaggerated, perhaps in underplaying the blockage around partisan politics, a blockage that continues to this day. The fears of 2016 may also be exaggerated, underplaying the capacity of anti-austerity movements to continue to innovate and propose alternatives despite an unpromising partisan context. This interplay between the renewed push for austerity and continued innovation in resistance frames this discussion of the Quebec case.

### *Return to 2012*

In the aftermath of the 2012 strike, one of the leading spokespeople of the CLASSE noted that the students did not really have an answer worked out in terms of engaging the state. While they could tie up the government in place, and indeed set the agenda of public debate,<sup>1</sup> once the government called an election, much of their leverage was gone. Once in power, the PQ's promise to freeze tuition was redefined as a policy for indexing fees to inflation. This betrayal was nevertheless not harsh enough to cause much response. As a minority government facing two right-wing parties, the PQ proved cautious, and was unwilling to depart from the goal of balanced budgets, despite slow growth. Its defeat in 2014 emboldened the victorious Liberals to relaunch an austerity offensive against a dispirited centre left.

While the Liberals' new Finance Minister evoked the spectre of Quebec following the path of Southern Europe into fiscal crisis without significant fiscal restraint, this did not seem objectively credible given both the size of the provincial debt and the current fiscal pressures. It nevertheless created the pretext for a hiring freeze, the development of a "safety catch" where all new spending measures must be matched with a countervailing cuts, retroactively cuts to municipal employee pension plans, and a tight budgetary stance where health and education budgets increased but

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<sup>1</sup> Pascale Dufour and Louis-Philippe Savoie, « Quand les mouvements sociaux changent le politique. Le cas du mouvement étudiant de 2012 au Québec, » *Canadian Journal of Political Science* 47 :3 (2014).

at a rate less than sector inflation and demand growth.<sup>2</sup> In 2015-2016, the government ran a \$2.2B surplus, even after its budgeted debt repayment, and looks on track to repeat the performance in 2016-2017. In other words, the government seems motivated to starve the public sector, and then to try to reap positive press when it reinvests the small year-end surplus to address pressing shortcomings of the health or education sector.<sup>3</sup>

### *Bad Omens*

This austere budgetary policy takes on a more troubling cast when its impact on a number of specific programs is considered. There are several areas where Quebec can be seen to have struck out in a different direction than other Canadian provinces, and this exceptionalism is often being scaled back quite deliberately.

The highest profile example of this is in early childhood education. While much was made of the move from flat-rate fees to fees modulated by income, of equal or greater importance has been the virtual moratorium on new not-for-profit spaces and the willingness to open the door to the creation of unsubsidized private spaces. Roughly \$300M has been removed from the public system since 2014, and the growth of private sector spaces has also meant that a significant share of children in care are not getting access to an appropriate educational programme.<sup>4</sup>

Another example would be in social assistance. Quebec's Law Against Poverty was the first example of an anti-poverty strategy in Canada, and stood out from later provincial imitations in the strength of its institutions and its emphasis on poverty as an exclusion from citizenship. It seems fair to credit the policy with heading off some of the post-2003 Charest government's early intentions to enact punitive social assistance reforms. Under the Couillard Liberals, the goal was set to cut \$200M out of the budget of the social services ministry, and this has included introducing Bill 70, which ratchets up the rhetoric of work requirements to justify large cuts in benefits for social assistance recipients who refuse to participate in a work programme. While the

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<sup>2</sup> For a fuller discussion, see Peter Graefe and Hubert Rioux, "From the Bailiffs at our Doors to the Greek Peril: Twenty Years of Fiscal "Urgency" and Quebec Politics," in Bryan Evans and Carlo Fanelli (eds.) *Provincial Paradoxes*. Montreal: McGill-Queen's University Press, forthcoming.

<sup>3</sup> François Desjardins, « Les recettes fiscales produisent un surplus à Québec, » *Le Devoir* December 3, 2016. <http://www.ledevoir.com/economie/actualites-economiques/486221/leitao-et-les-operatiostn-financieres>

<sup>4</sup> Isabelle Paré, « La déconfiture d'une bonne idée, » *Le Devoir* 26 novembre 2016, <http://www.ledevoir.com/societe/education/485674/la-deconfiture-d-une-bonne-idee>; Vicky Fragasso-Marquis, « La CSN dans les rues pour réclamer un réinvestissement dans les CPE, » *Le Devoir*, 3 décembre 2016, <http://www.ledevoir.com/politique/quebec/486307/des-manifestants-dans-les-rues-pour-reclamer-un-reinvestissement-dans-les-cpe>

antipoverty law remains in place, the government has clearly undercut some of its moral power to compel the respect of a minimal right to income.

Health care provides a third example. Quebec's attempts to break from a "hospitalo-centrism" had led to a variety of experiments, including multi-stakeholder health boards, the use of community-based organizations in planning and delivering health care, and the use of community clinics to both provide services and to identify and respond to local public health challenges. The recent restructuring of health care under Bill 10 has greatly centralized decision-making power in the hands of the Minister of Health, at the cost of more decentralized and dialogic priority-setting institutions. Related reforms have encouraged the growth of private clinics and related user fees. Most recently, the role of local community health centres (CLSCs) has been constrained with the project of transferring the professionals working within them to local family health teams. The concern is that represents an effective "privatization" as publicly-paid professionals will work within private medical practices. In addition, their role in identifying community health needs and leading prevention campaigns will be effectively ended.<sup>5</sup>

### *Continued Innovation*

Despite this grim picture, it is not as if opposition to austerity simply evaporated in the summer of 2012. The imagination and creativity of that moment continues to register in a variety of locales.

For instance, the public sector negotiations in 2015 witnessed a union-side Common Front with a capacity to mobilize its members like one had not observed in several decades. Inspired by the Maple Spring, the membership pushed the union leadership for ongoing dialogue about the content of bargaining and strategies of pressure, including the possibility of a broader "social strike" in conjunction with the student and community movements. While the Common Front leadership seemed to be at a loss about how to harness this potential, and while the final agreement was lived as a betrayal by many union members, there is a potential for renewal in the unions.

There have also been new forms of organization and protest to protect particular services. Some of these are attempts by public sector unions to protect services. For instance, child care workers took strike days in July 2014, and again threatened to walk out in early January 2016 to protest funding cuts.<sup>6</sup> In face of moving work out of CLSCs and into family health teams, CUPE and the CSN launched web-

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<sup>5</sup> <https://www.csn.qc.ca/ma-place-en-sante/clsc/>; Stéphane Gagné, "Le système de santé communautaire en péril, selon le SCFP," *Le Devoir*, le 3 décembre 2016, <http://www.ledevoir.com/societe/sante/485974/clsc-le-systeme-de-sante-communautaire-en-peril-selon-le-scfp>

<sup>6</sup> CBC News, "Quebec daycares threaten closures over cuts to provincial funding," January 12, 2016, <http://www.cbc.ca/news/canada/montreal/quebec-daycare-strikes-1.3400055>

based mobilization campaigns.<sup>7</sup> However, in addition to union-centered campaigns, there have also been citizen-centered initiatives to politicize austerity. The most visible of these has been the Je protège mon école publique campaign,<sup>8</sup> which captured the province's attention by forming human chains around public schools. These initiatives are not without their tensions, witness the competing unions working in parallel rather than in unity around the CLSC issue, or the insistence with which JPMEP feels it must distance itself from any suggestion of linkage to the union movement. They nevertheless speak to ongoing organization and mobilization of people and their imagination.

The language of austerity has started to figure more prominently in the activities of the Quebec left. This may owe something to the role of the Institut de recherche et d'informations socio-économiques (IRIS) in launching an Observatoire des conséquences de mesures d'austérité au Québec in 2014.<sup>9</sup> Tracking funding cuts and new user fees across 15 areas, the Observatory has tallied up over \$4 billion in cuts since its inception.

The organization of provincial Women's Centres, L'R des Centres des femmes, has likewise taken up the term.<sup>10</sup> It held a year-long study in 2015 of the impact of austerity on the centres and on the clientele of the centres, coming to see austerity as the amplification of the existing systemic discrimination against women. This was lived as a pincer movement by individual women, where the increased costs of food and rent on the one hand were worsened by increased fees for electricity, health services, child care, after-school care, medications and the like on the other. For women's centres, this was also lived as a pincer movement: helping a larger number of women with often deeper problems, while having public service providers offload responsibilities onto the centre.

This is also largely the view of the MÉPACQ, the leading peak association for popular education and community action. To the question whether the community sector should fight austerity or instead fight for better state funding, it argues that the government in place has no interest in providing better funding. As such, austerity and funding are the same fight, as it will take an ideological upheaval to get the government to return to supporting social protection, including the community-based portion of the safety net.<sup>11</sup>

### *Facing the Future: Promises and Pitfalls*

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<sup>7</sup> See note 5.

<sup>8</sup> <http://jpmeq.com>

<sup>9</sup> <http://austerite.iris-recherche.qc.ca>

<sup>10</sup> L'R des Centres de femmes. *Reculs des conditions de vie des femmes au Québec en 2015: Études des impacts des mesures d'austérité sur les femmes entre janvier et décembre 2015*. Montreal: L'R. 2016.

<sup>11</sup> MÉPACQ, *Austérité ou le communautaire : Quelle lutte choisir ?* Montreal : MÉPACQ, 2016. <http://www.rcentres.qc.ca/files/austerite-et-financement.pdf>

In naming austerity, these interventions provide a basis for developing a broader fight-back, as people see how various cuts and struggles are linked to a specific strategy of restructuring the state. As opposed to the language of neoliberalism, austerity may be more grounded and easier to personify with a clear villain. The danger is that like the fight against neoliberalism, the austerity framing encourages a defensive struggle. If fighting against austerity provides moments of reflection about the value of public services like schools and CLSCs, and renders visible the many different ways they make a difference, then there is value in the framing. If the end result is to turn energies to preventing cuts, at the expense of making claims for something else (better services, proper recognition and funding), then it is perhaps a less welcome convergence.

Historically, the extra-partisan left in Quebec has managed to innovate and push the development model through processes of broad consultation and mobilization with base-level organizations. Whether in the Fédération des femmes du Québec's Estates General process (2011-2013), the reflections of Women's Centres on Austerity (2015) or the Réseau québécois de l'action communautaire autonome's itinerant Commission Populaire (September 2015-February 2016)<sup>12</sup>, this has continued. It has continued to give rise to pressures, such as the "community sector" strike on November 8-9, 2016, that voiced demands for additional community sector funding coming out of the Commission Populaire's report. This gives some reassurance that fighting austerity is not purely defensive, but also is future facing.

One key source of concern nevertheless remains politics. As long as the national question was on the agenda, there was a space of dialogue between the broader left and the Parti Québécois. The latter needed to show some receptivity to the demands of the former if it wished to include the left in its coalition and to obscure the cracks of inequality in the facade of national unity. At the same time, in opening the possibility of a national re-founding, the PQ gave the left permission to dream bigger than one is generally allowed in partisan politics, widening the range of what could be politicized or what one could imagine changing. As long as the national question remains largely closed, and focused on identity instead of socioeconomic inequality, the question of finding effective political relays will continue to be difficult. The agreement of all opposition parties, including the CAQ, PQ and Québec Solidaire, to a proposal for proportional representation provides an opening to shake up the partisan landscape.<sup>13</sup> However, as they say in Quebec, there it is far from the cup to the lips.

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<sup>12</sup> Réseau québécois de l'action communautaire autonome, *Les organismes de l'action communautaire autonome : Entre engagement et épuisement*. Montreal : RQACA, 2016. <http://www.rcentres.qc.ca/files/rapportcommissionpopulaireaca-oct2016.pdf>

<sup>13</sup> Mouvement démocratie nouvelle, « Réforme du mode de scrutin au Québec : Le PQ, La CAQ, QS, ON et le PV s'engagent à agir ensemble. » December 7, 2016. <http://www.democratienouvelle.ca/wp-content/uploads/2016/12/DeclarationCommuneDesPartisDoppositionDuQuebec.pdf>